1B

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1994

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BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

NEAL SMITH, Iowa, *Chairman*

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ALAN B. MOLLOHAN, West Virginia
JAMES P. MORAN, Virginia
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JOHN G. OSTHAUS, GEORGE H. SCHAFER, SALLY A. CHADBOURNE, and SARA MAGOULICK,
Subcommittee Staff

PART 1B

DEPARTMENT OF COMMERCE

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Economics and Statistical Analysis **623**
Bureau of the Census **707**
United States Travel and Tourism Administration **955**
International Trade Administration **1041**
Bureau of Export Administration **1245**

Printed for the use of the Committee on Appropriations

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1994

HEARINGS

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DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1994

TUESDAY, APRIL 27, 1993.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES, CONSTRUCTION, FLEET MODERNIZATION, AND VARIOUS FISHERY FUNDS

WITNESSES

DIANA H. JOSEPHSON, DEPUTY UNDER SECRETARY

LOU BOEZI, DEPUTY ASSISTANT ADMINISTRATOR/NATIONAL WEATHER SERVICE

ALAN THOMAS, DEPUTY ASSISTANT ADMINISTRATOR/OCEANIC AND ATMOSPHERIC RESEARCH

JOHN OLIVER, NATIONAL MARINE FISHERIES SERVICE

DR. KRISHNA RAO, NATIONAL ENVIRONMENTAL SATELLITE DATA AND INFORMATION SERVICE

FRANK MALONEY, DEPUTY ASSISTANT ADMINISTRATOR/NATIONAL OCEAN SERVICE

ANDREW MOXAM, COMPTROLLER

ROBERT VALONE, DIRECTOR, SYSTEMS PROGRAM OFFICE

DARRELL McELHANEY, COASTAL OCEAN PROGRAM

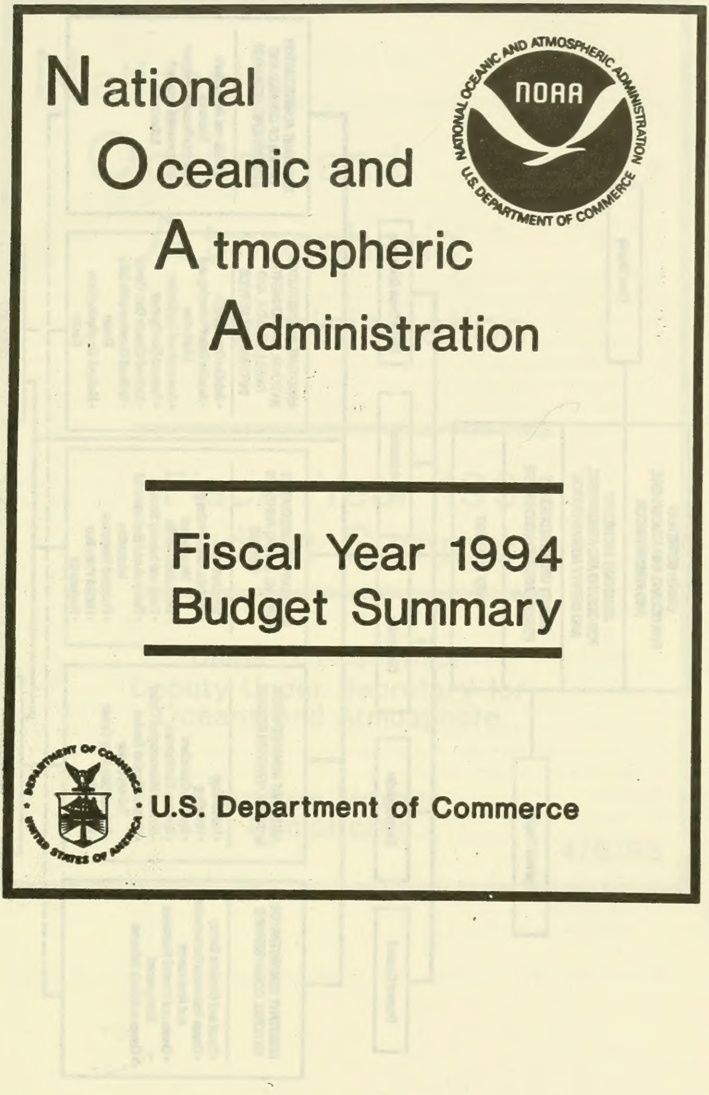
DR. MICHAEL HALL, DIRECTOR, OFFICE OF GLOBAL PROGRAMS

ADMIRAL SIGMUND PETERSON, DIRECTOR, NOAA CORPS

MARK E. BROWN, DIRECTOR, OFFICE OF BUDGET, DEPARTMENT OF COMMERCE

Mr. SMITH. Continuing with the consideration of the fiscal year 1994 budget request of the Department of Commerce, this morning we will hear testimony from the National Oceanic and Atmospheric Administration (NOAA). The total request for NOAA is $1,862,749,000, including: $1,757,672,000 for Operations, Research and Facilities; $23,064,000 for Fleet Modernization; $79,063,000 for Construction; $1,335,000 for the Fishing Vessels and Gear Damage Compensation Fund; $1,051,000 for the Fishermen's Contingency Fund; and $564,000 for the Foreign Fishing Observer Fund. This is an increase of $208,367,000 above the total amounts appropriated for NOAA to date in FY 1993. No funds are requested for transfer from the Airport and Airway Trust Fund. No funds are requested for the GOES Contingency Fund, the Damage Assessment and Restoration Revolving Fund, or Fishing Vessel Obligations Guarantees. We will insert the NOAA budget summary and the other justification materials submitted in support of this request into the record at this point.

[The justifications follow:]

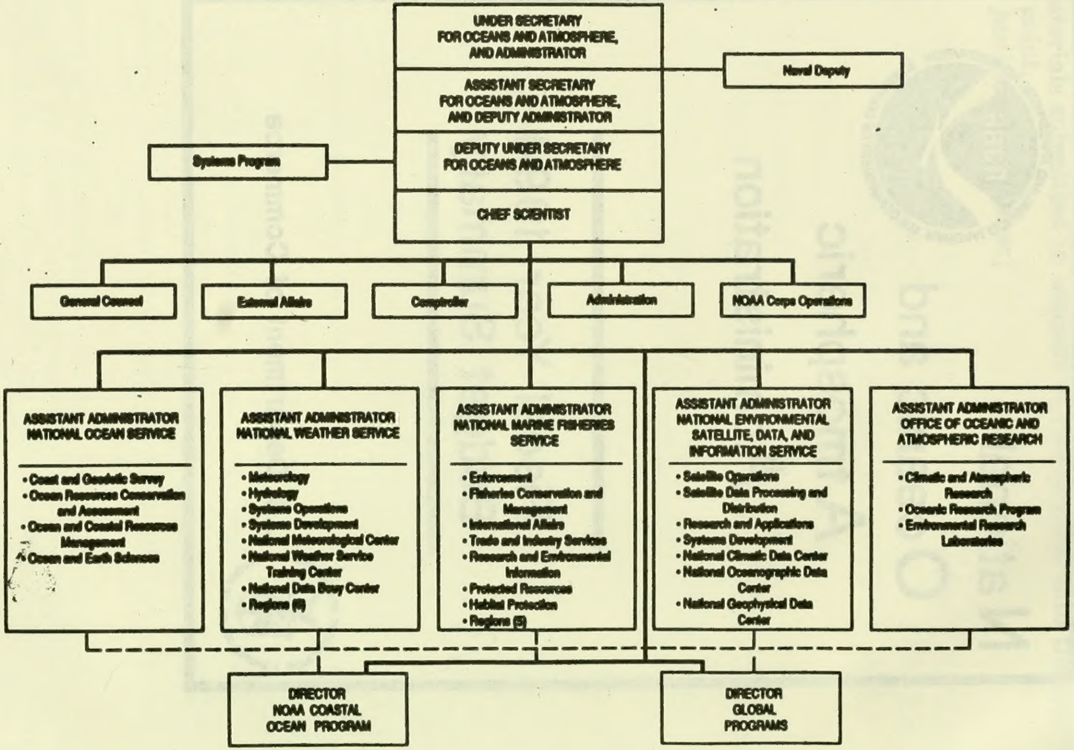


National Oceanic and Atmospheric Administration

Fiscal Year 1994 Budget Summary

U.S. Department of Commerce

U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION


UNDER SECRETARY FOR OCEANS AND ATMOSPHERE, AND ADMINISTRATOR
ASSISTANT SECRETARY FOR OCEANS AND ATMOSPHERE, AND DEPUTY ADMINISTRATOR
DEPUTY UNDER SECRETARY FOR OCEANS AND ATMOSPHERE
CHIEF SCIENTIST
Naval Deputy
Systems Program
General Counsel
External Affairs
Comptroller
Administration
NOAA Corps Operations
ASSISTANT ADMINISTRATOR NATIONAL OCEAN SERVICE
• Coast and Geodetic Survey
• Ocean Resources Conservation and Assessment
• Ocean and Coastal Resource Management
• Ocean and Earth Sciences
ASSISTANT ADMINISTRATOR NATIONAL WEATHER SERVICE
• Meteorology
• Hydrology
• Systems Operations
• Systems Development
• National Meteorological Center
• National Weather Service Training Center
• National Data Buoy Center
• Regions (6)
ASSISTANT ADMINISTRATOR NATIONAL MARINE FISHERIES SERVICE
• Enforcement
• Fisheries Conservation and Management
• International Affairs
• Trade and Industry Services
• Research and Environmental Information
• Protected Resources
• Habitat Protection
• Regions (5)
ASSISTANT ADMINISTRATOR NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE
• Satellite Operations
• Satellite Data Processing and Distribution
• Research and Applications
• Systems Development
• National Climatic Data Center
• National Oceanographic Data Center
• National Geophysical Data Center
ASSISTANT ADMINISTRATOR OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH
• Climatic and Atmospheric Research
• Oceanic Research Program
• Environmental Research Laboratories
DIRECTOR NOAA COASTAL OCEAN PROGRAM
DIRECTOR GLOBAL PROGRAMS

National Oceanic and Atmospheric Administration

Fiscal Year 1994 Budget Summary

Diana H. Josephson
Deputy Under Secretary for Oceans and Atmosphere

Andrew Moxam
Comptroller

4/8/93

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All questions regarding this document can be directed to Andrew Moxam (202) 482-2291.

INTRODUCTION

> "We seek an America that recognizes the importance of the environment to the quality of our life, rejecting false choices between economic prosperity and environmental quality. We must demand both for our future, not sacrifice one for the other."
>
> -Vision of Change for America

The National Oceanic and Atmospheric Administration (NOAA) serves the Nation through its science and expertise by -- supplying environmental information such as weather predictions and observational assessments; providing informed stewardship of our living marine resources, oceans and atmosphere; and conducting research to explain the processes of our changing global environment. As a science agency, NOAA demonstrates that sound research must precede and serve management and policy decisions. As the Administration articulates in Mandate for Change, one goal is to "Set real environmental priorities for action based on the best scientific and economic evidence we can develop."

NOAA's Agenda for the 1990s is to use the agency's unique capabilities to meet the Administration's goals through a variety of services and activities. NOAA provides scientific information to individuals, industries, and governments to be used in near term, long-term, and future decision-making. Weather forecasts give farmers accurate agricultural information to ensure successful crops, and make daily life more manageable for everyone. In times of impending disaster, the weather services provided by NOAA are of crucial importance to human safety in both inland and coastal areas. NOAA's traditional production of nautical charts is integral to the safety of all mariners, whether commercial or recreational.

NOAA is charged with protecting the future health of both our oceans and atmosphere. Preservation of ocean and coastal resources for all users, including future generations, includes conducting research to ensure that the ecological health of coastlines is balanced with impending development, ensuring the conservation and management of fish and marine mammal stocks, and administering protection of unique marine and estuarine habitats. In the atmospheric realm, data retrieved by NOAA's satellites will be used by future generations to study long-term changes in the earth's global processes. The climate change research NOAA conducts is paramount to fully understanding these phenomena and provides a basis for implementing policy changes that will protect future generations.

The total NOAA request for FY 1994 is $1.92 billion. Of the total, $1.76 billion are in the Operations, Research and Facilities (OR&F) appropriation, $79.1 million are in the Construction appropriation, $23.1 million are in the Fleet Modernization and Ship Conversion appropriation, and $2.95 million are requested for various special fisheries funds. Included in the OR&F Appropriation are other costs changes totaling $32.9 million necessary for keeping pace with uncontrollable expenses. The budget includes a total transfer of $62.9 million from the Promote and Develop American Fisheries account and the Damage Assessment and Restoration Revolving Fund as offsets to the OR&F account.

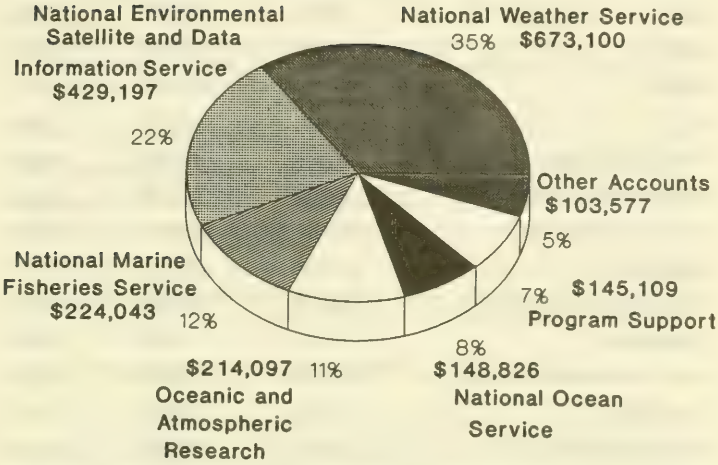
The NOAA Budget Summary Fiscal Year 1994 provides a synopsis of the President's annual budget request to the Congress by highlighting the request for FY 1994 and changes from FY 1993. The document presents for each major activity or account a statement of the function, a graph showing the FY 1994 request by sub-activity, a table showing the detailed request for the area, and a summary of the programs and changes by sub-activity. The appendices at the end of the document include overall summary tables, a listing of programs requiring reauthorization for FY 1994, a listing of program increases and decreases, a table on permanent positions and employment, and a graph detailing appropriations and employment since FY 1981.

As NOAA has progressed from its inception in 1970, the tools of its trade have changed dramatically, delivering increased accuracy and reliability. Costs associated with these added benefits have also increased. Nonetheless, the package of services NOAA offers continues to be outstanding.

In order to fulfill its mission to the best of its ability and meet the challenges of the 1990s, NOAA must have adequate financial resources in FY 1994. The Administration states, "if we work together, we can transform our vision and values into reality."

TOTAL FY 1994 NOAA BUDGET REQUEST

(Dollars in Thousands)



Total Budget Authority Requested $1,924,149

DETAILS OF THE NOAA BUDGET

(Dollars in Thousands)

	1993 Currently Available	1994 Request	Increase/ Decrease
NOS	$167,870	$148,826	($19,044) 1/
NMFS	223,026	224,043	1,017
OAR	202,172	214,097	11,925
NWS	532,668	673,100	140,432
NESDIS	346,678	429,197	82,519
PS	142,133	145,109	2,976
TOTAL DIRECT OBLIGATIONS:	1,614,547	1,834,372	219,825
REIMBURSABLE OBLIGATIONS:	369,081	390,385	21,304
TOTAL OBLIGATIONS:	1,983,628	2,224,757	241,129
FINANCING:	(380,881)	(404,185)	(23,304)
TOTAL BUDGET AUTHORITY:	1,602,747	1,820,572	217,825
TRANSFERS:	(76,231)	(62,900)	13,331
TOTAL APPROPRIATION (ORF):	1,526,516 2/	1,757,672	231,156
TRANSFERS:	61,408	62,900	1,492
OTHER ACCOUNTS	127,866	103,577	(24,289)
TOTAL BUDGET AUTHORITY NOAA:	$1,715,790	$1,924,149	$208,359

1/ The 1993 available amount for NOS includes a substantial transfer from NOAA's Damage Assessment and Restoration Revolving Fund (DARRF) to offset damage assessment costs and to provide for future assessments. Yearly amounts received from DARRF may vary considerably.

2/ The 1993 ORF appropriation does not include the President's pending stimulus supplemental for $80,773.

HIGHLIGHTS

> "We face urgent environmental and economic challenges that demand a new way of thinking and a new way of organizing our efforts..."
>
> \- President Clinton

The National Oceanic and Atmospheric Administration's FY 1994 budget request ensures and continues the capability of the agency to meet the urgent environmental needs of the 1990s. The FY 1994 request addresses three broad priorities:

- Continued modernization of the Nation's weather services;
- Maintenance of critical operations in fisheries, ocean and coastal management, oceanic and atmospheric research, and other core NOAA activities;
- Investments in global change research and high performance computing.

NOAA's priorities are critical activities that serve the Nation and support Administration goals. As articulated in Vision of Change for America, "The Administration's initiatives offer certain proof that environmental protection and economic growth can -- and must -- go hand in hand."

Modernization of the Nation's Weather Services

> "Under the Administration's plan, by the turn of this century, NOAA will operate one of the most advanced weather warning and prediction networks in the world. New observation systems such as doppler radars and weather satellites will provide for more accurate and timely forecasts of severe weather events and for more reliable forecasts. These improvements will translate into lives saved and damages averted."
>
> -Vision of Change for America

Weather service modernization, part of rebuilding America, has been deemed a high priority of the Administration. Secretary Ron Brown, at his Senate confirmation hearing, added, "Modernization and a recommitment to NOAA's mission can help avoid false choices between the environment and economic growth." In order for this commitment to be fulfilled, NOAA requirements must be met. In recent years, there has been a widening gap between the funding and the ability to keep up with the modernization effort.

Weather Service Modernization (systems acquisition and workforce restructuring) funding remains NOAA's highest priority. The modernization effort has already proved to be critical to the safety of the Nation's citizens. Its success is demonstrated in the dramatic increase in warning time as well as a significant reduction in false alarms for severe weather when the modernized, as opposed to traditional, equipment is used. More accurate and reliable weather alerts save lives. NOAA's weather research has also lead to significant improvements in our ability to forecast the strength and track of hurricanes. The accurate predictions allowed the Nation to prepare for Hurricane Andrew, Hurricane Hugo, and Hurricane Iniki, substantially reducing the potential loss of human life. Recently, NOAA predicted the timing and severity of the East Coast "Storm of the Century" several days in advance.

The FY 1994 request of $673.1 million for the National Weather Service (NWS) allows NOAA to continue providing critical weather services, continuing local warnings and forecasts while improving the capability to gather environmental information. The request allows the NWS to maintain current operations while meeting the conditions outlined in Public Law 102-567, which establishes requirements for the commissioning/ decommissioning of equipment, and the staffing, certifying and restructuring of all field offices. The request allows NOAA to proceed with systems acquisition for modernization, including four major components:

- Next Generation Weather Radar (NEXRAD) will replace existing obsolete radars, enhancing national warning capabilities. A FY 1994 increase of $40.6 million is requested.

- Automated Surface Observations Systems (ASOS) will reduce manual observations, provide continuous data, and increase staff productivity. A FY 1994 increase of $.6 million is requested.

- The Advanced Weather Interactive Processing System (AWIPS/NOAAPORT) will integrate radar, satellite, and other data at NWS forecast offices and provide the communication dissemination service to significantly improve forecasting capabilities. A FY 1994 increase of $29.7 million is requested.

- The Central Computer Center upgrade will help improve forecasts of major storms and lead to more accurate medium and extended weather forecasts. A FY 1994 increase of $3.1 million is requested.

These increases are contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package.

Maintenance of Critical Operations in Fisheries, Ocean Services, and other NOAA Programs

> "I will work with the Congress to make sure that our marine and freshwater fishery programs and assistance to states are properly funded"
> - President Clinton

NOAA's Agenda for the 1990s includes rededication to the stewardship of the Nation's natural and living marine resources. This work, including the research to develop science-based policy options, cannot be undertaken without the proper resources. Funding to maintain on-going operations, totalling $46.5 million, is essential to meet the President's commitment. Addressed in FY 1993 by reprogrammings and transfers, funding has been built into the FY 1994 budget requirements. Without these funds, NOAA's effectiveness to address critical natural and living marine resource issues will be severely reduced.

Funding of $11.9 million is needed to maintain the essential on-going operations of the National Marine Fisheries Service (NMFS). This funding is necessary to avoid a significant downsizing involving over 270 employees and the closure of a number of NMFS facilities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans, nation-wide and in-season allocation adjustments, as well as delays in the development, review and implementation of new management actions. Moreover, the number of enforcement agents and dockside enforcement personnel would have to be reduced, thus adversely affecting NOAA's monitoring of industry activities and compliance with fishery management laws and regulations. The seafood industry also would suffer due to delays in implementation of an improved seafood inspection program and the agency's inability to provide adequate support to industry and other Federal agencies in the areas of GATT and trade and the environment.

The conservation and recovery of protected species and their supporting habitat also would be adversely affected if the base funding is not provided. Delays will occur in the development of a new marine mammal exemption program, as well as delays in issuing permits for research and incidental take that, in turn, may affect commercial fishing operations. NMFS will not be able to develop and/or implement Endangered Species Act recovery plans on a timely basis for many species of Pacific salmon, sea turtles, dolphins, whales and seals, thus potentially resulting in the loss of such species. In addition, there could be a potentially devastating economic impact on the Nation's hydropower, agricultural, forestry, and commercial and recreational fishing industries as a result of excessively restrictive conservation measures necessitated by the absence of scientific information on endangered species necessary to develop and implement recovery plans. Further, NMFS will not be able to provide comments on habitat permitting actions in a timely way and would not be able to support the habitat restoration activities agreed to in a 1991 cooperative agreement between NOAA and the Department of the Army to restore and create fishery habitat, thus allowing greater loss of productive habitat and adversely affecting fish, marine mammal and sea turtle populations.

Moreover, reauthorizations of the Magnuson Fishery Conservation and Management Act, the Endangered Species Act and the Marine Mammal Protection Act are pending and may lead to additional requirements, such as those specified in previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagics management), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. It is critical to ensure adequate funding of NMFS' on-going activities before these increased responsibilities are added. Such funding will enable the continued management of our living marine resources, the provision of essential recovery and conservation efforts for protected species and the enforcement of existing laws and regulations, as well as critical seafood safety and trade support. This funding will promote the productivity of the Nation's fisheries, the survival of protected species and the economic health of the seafood industry and enable the Nation to avoid significant and potentially permanent losses to our fisheries which have a current dockside value of $3.5 billion ($16.5 billion in value added) and provide recreational opportunities to over 17 million anglers.

The National Ocean Service (NOS) is the steward of the Nation's ocean and coastal resources. Program increases of $3.5 million are essential for maintaining current operations and staffing. Without the basic operational funds requested, NOS would have to cut back drastically on geodetic activities related to the National Geodetic Reference System, critical to the rebuilding of the Nation's infrastructure. Moreover, there will not be sufficient funds to operate and maintain the tide gauges, resulting in significant degradation of the network. This in turn will lead to deterioration in the accuracy of tide predictions, nautical charts, and storm surge predictions. The Circulatory Program will not be able to keep pace with circulation changes in the Nation's estuaries, bays and coastal areas. These impacts could result in a visible drop in the quality of the tide/current tables vital for the safety of maritime commerce. Finally, there will be no processing, analysis or distribution of global sea level data or products derived from satellite altimeter measurements.

The increased funding in Oceanic and Atmospheric Research (OAR) of $7.7 million would be used to maintain on-going activities in several areas. The funds would maintain the global greenhouse gas measurements program and address scientific issues associated with the Clean Air Act Amendments of 1990 as well as increase the activities of the Regional Marine Research Program. The funds would reinstate advanced forecast development and refine remote sensing technologies for observing and predicting severe weather and precipitation conditions. They would fund full operation (24 hours/day, 7 days/week) of space weather data, forecasts, and warnings which are crucial to satellite operations, space exploration, international navigation, high altitude polar flights, high frequency radio communications, remote surveillance, and electric power distribution. They would also provide funding for peer-reviewed research proposals to increase understanding and assessment of our Nation's marine resources.

Full funding of $145 million must be provided for Program Support or the administrative services supporting all NOAA line offices such as procurement, personnel and grants administration will be delayed.

Investing in the Future – Climate and Global Change and High Performance Computing and Communications

> "A healthy environment means a better future for generations of Americans to come, and it also means jobs...Together, these investments prove that there is no choice between spurring economic growth and protecting the environment – that we can and must do both at once."
>
> -Vision of Change for America

Global environmental issues, highlighted at the United Nations Conference on Environment and Development (UNCED) held in June 1992 and addressed by the U.S. Global Change Research Program (USGCRP) of which NOAA's Climate and Global Change Program plays a critical role, are among the Administration's top priorities. The document Putting People First notes that the U.S. must, "Exert international leadership to advance our own nation's interest in a healthier global environment, a stable global climate, and global biodiversity..." NOAA's FY 1994 request includes a $23 million enhancement for Climate and Global Change, a continuing high-priority NOAA program. The request provides funding for NOAA participation in the USGCRP and allows the agency to continue its contribution in government-wide programs that are integrated by the Federal Coordinating Council for Science, Engineering and Technology (FCCSET). NOAA's resources must match its mission responsibilities in this area.

The Climate and Global Change programs include observational and research activities that provide insights into critical Earth System problems. These insights have significant long-term benefits. Work will be pursued in such areas as atmospheric chemistry, the role of the ocean in climate change and in modeling which will eventually allow the Nation to reasonably predict the long-term climate change. The funds will also allow NOAA to begin implementing the U.S. support for the International Research Institute for Climate Prediction (IRICP), a commitment the United States made at UNCED.

The FY 1994 request includes $2.6 million for the FCCSET program in High Performance Computing and Communications (HPCC). These funds will make possible major improvements in the Nation's ability to forecast the weather and predict climate change, while, at the same time, stimulating gains in U.S. industrial competitiveness through the use of evolving high performance computing and high speed networking technologies. More accurate and more timely assessment of the future impact of climate change will be possible. Finer resolution in global and regional models will result in better weather forecasting and warning services, especially for hazardous weather and flight safety.

Increases for both Climate and Global Change and HPCC are contingent upon enactment of an Omnibus Budget Reconciliation Act which includes the President's Deficit reduction package.

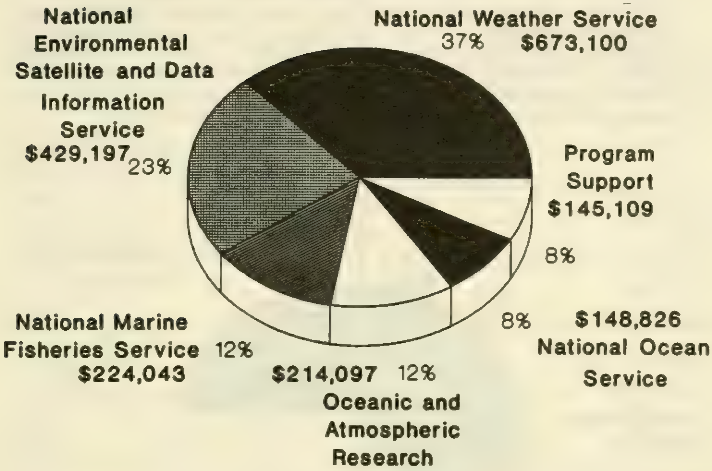
Major FY 1994 Programmatic Changes

- As part of the President's commitment to cutting the cost of Federal Government and the size of the workforce, NOAA will achieve savings of $25.6 million.
- In order for NOAA to deliver more focused service, the FY 1994 budget includes a number of program decreases for programs that are inappropriate for the Federal government to undertake; benefit a small, specific group; are not NOAA's statutory responsibilities; are one-time expenditures whose purpose has been achieved; or are lower priority activities. Details of the program changes are included in the following pages and in the appendices at the back.

This is NOAA's package. Our priorities evidence what NOAA offers the Nation and how the agency can fulfill President Clinton's goals of a sound economy and exemplary service. Given the correct resources, NOAA can be equipped to meet the President's challenge for a more efficient, effective Government serving the people into the 21st century.

FY 1994 OPERATIONS, RESEARCH & FACILITIES BUDGET REQUEST

(Dollars in Thousands)



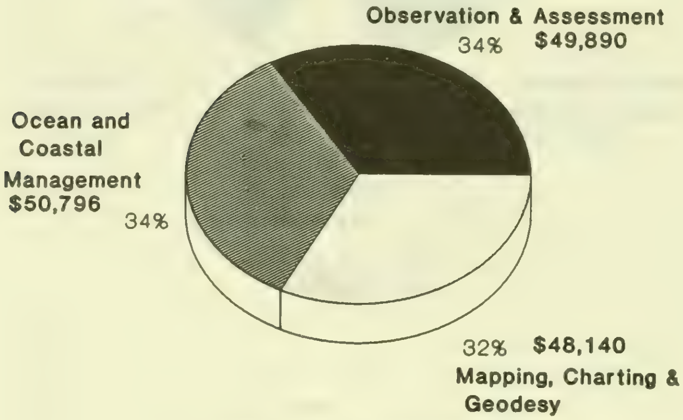
Total OR&F Request $1,834,372
(Direct Obligations)

NATIONAL OCEAN SERVICE

The National Ocean Service (NOS) enables the effective management of the coastal zone and ocean as well as the protection of life, property, and the environment. It addresses the latter through improvements in the quality, quantity, geographic distribution, and timeliness of ocean observations. Mapping and charting activities produce aeronautical and nautical charts and auxiliary documents which are sold to the public and other Federal agencies. Understanding of the coastal environment is enhanced through the coastal ocean science and resource programs and the coastal zone management program. NOAA also acquires and manages marine and estuarine sanctuaries of national significance.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $148,826

(Direct Obligations)

DETAILS OF THE NOS BUDGET

OPERATIONS, RESEARCH AND FACILITIES	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
NATIONAL OCEAN SERVICE:	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Mapping, Charting, and Geodesy								
Mapping and Charting		$31,265		$32,238		$29,738		($2,500)
Subtotal	284	31,265	278	32,238	247	29,738	(31)	(2,500)
Geodesy		15,950		16,102		18,402		2,300
SC cooperative geodetic survey		354		354		0		(354)
Land Information System		1,674		1,674		0		(1,674)
Subtotal	176	17,978	173	18,130	173	18,402	0	272
Total, Mapping, Charting, and Geodesy	460	49,243	451	50,368	420	48,140	(31)	(2,228)
Observation and Assessment								
Observation and Prediction		16,740		16,748		17,748		1,000
Observation buoys/California		140		140		0		(140)
Observation buoys/Chesapeake Bay		400		400		0		(400)
Institute for Marine Engineering		500		500		0		(500)
Gulf of Maine data collection		0		0		0		0
Subtotal	171	17,780	197	17,788	197	17,748	0	(40)
Estuarine and Coastal Assessment		28,246		20,268		20,268		0
Marine protective structures		100		100		0		(100)
NY harbor water quality model		75		75		0		(75)
Subtotal	187	28,421	184	20,443	184	20,268	0	(175)
Coastal Ocean Science	60	12,000	30	11,874	30	11,874	0	0
Maui algal bloom crisis		430		450		0		(450)
Subtotal	60	12,430	30	12,324	30	11,874	0	(450)
Total, Observation and Assessment	418	58,631	411	50,555	411	49,890	0	(665
Ocean and Coastal Management								
Coastal Management		40,345		40,035		40,035		0
Charleston, SC, spec. area mgt. plan		960		960		0		(960
Non-point pollution control		1,920		1,920		1,920		0
Subtotal	30	43,225	40	42,915	40	41,955	0	(960
Ocean Management		8,627		8,841		8,841		0
Hawaii humpback mar. sanct. institute		144		144		0		(144
Subtotal	80	8,771	68	8,985	68	8,841	0	(144
Total, Ocean and Coastal Management	110	51,996	108	51,900	108	50,796	0	(1,104
TOTAL, NOS	988	159,870	970	152,823	939	148,826	(31)	(3,997

Mapping, Charting and Geodesy - This budget sub-activity produces nautical and aeronautical charts for navigational and aircraft safety; it also maintains the geodetic referencing system.

An increase of $2.5 million is proposed in this sub-activity for maintaining critical operations in the Geodesy Program. This proposed increase is for traditional geodetic activities, including the National Geodetic Reference System, at on-going levels. Three decreases totalling $4.7 million are proposed in this sub-activity. Two of these decreases are associated with lower priority activities of special interest to individual states. The third decrease reflects a proposal to contract out the current in-house chart printing operation.

Observation and Assessment - This budget sub-activity involves monitoring and research resulting in predictions, advisories, and products for use in forecast models and for safe operations in the oceans, coastal areas, and Great Lakes. It also produces a scientific basis for decisions about the protection, development, and use of marine and estuarine resources including responses to oil and hazardous material spills.

An increase of $1 million is proposed in this sub-activity to enable continuation of critical operations in the Ocean and Lake Levels Program. This proposed increase enables operation of the National Water Level Measurement System, maintenance of circulation surveys and the distribution of ocean product services; all at on-going levels. Six decreases totalling $1.7 million are proposed in this sub-activity. These decreases are for programs that are regional in scope that should be funded by the relevant states.

NOAA's ocean budget for FY 1994 includes continued support for its agency-crosscutting Coastal Ocean Science Program efforts to improve predictions and information delivery in the areas of fisheries productivity, coastal environmental quality, and coastal flooding. In FY 1994, NOAA will continue to lead Federal interagency coordination of U.S. coastal ocean science activities through FCCSET.

Ocean and Coastal Management - This budget sub-activity enables coastal states and territories to implement programs that promote the rational use of the Nation's coastal zone; designates and manages biologically valuable marine and estuarine areas; and helps develop marine minerals.

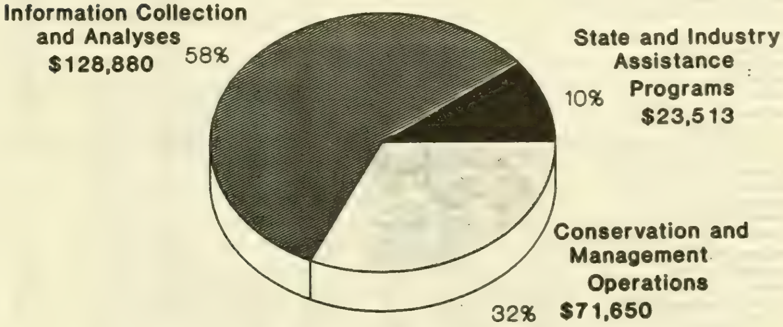
Two decreases totalling $1.1 million are proposed in this sub-activity. One decrease involves a program that is of interest to an individual state and should be funded by that state. The other decrease is for work which is more appropriately carried on with base funds.

NATIONAL MARINE FISHERIES SERVICE

The National Marine Fisheries Service (NMFS) is the steward of the Nation's living marine resources. Its primary responsibilities are set out in three major pieces of legislation, all of which expire in FY 1993: 1) the Magnuson Fisheries Conservation and Management Act (MFCMA); 2) the Marine Mammal Protection Act (MMPA); and 3) the Endangered Species Act (ESA). The Clean Water Act and the Agriculture Marketing Act also provide authority for habitat protection and seafood safety activities. Fishery and marine mammal stocks are surveyed, catch data are collected, and research is conducted. This information then supports resource management for the maximum economic and social benefit of the Nation, including protection and restoration of endangered marine species and enforcement of fishery laws and regulations. Seafood quality and safety, and habitat protection and restoration are also primary agency activities.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $224,043

(Direct Obligations)

DETAILS OF THE NMFS BUDGET

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
NATIONAL MARINE FISHERIES SERVICE:								
Information Collection & Analyses								
Resource Information		$78,212		$78,643		$83,326		$4,683
Oyster disease research		1,500		1,500		0		(1,500)
Stuttgart		576		576		0		(576)
Hawaii stock management		500		500		0		(500)
Winter Run chinook salmon		500		500		500		0
Dolphin safe technologies		500		500		500		0
Fish cooperative inst. enhancement		384		384		384		0
Hawaiian monk seals		520		520		0		(520)
Steller sea lion recovery plan		1,440		1,440		1,440		0
Atlantic bluefin tuna research		300		300		0		(300)
Hawaiian sea turtles		240		240		240		0
Center for Shark Research		140		140		0		(140)
Subtotal	959	84,812	941	85,245	941	86,392	0	1,147
Fishery Industry Information	203	18,030	199	18,050	199	18,926	0	876
Information Analyses & Dissemination		21,424		21,637		23,562		1,925
Subtotal	327	21,424	321	21,637	321	23,562	0	1,925
Total, Info., Collection, & Analyses	1,489	124,266	1,461	124,932	1,461	128,880	0	3,948
Conservation and Management Operations								
Fisheries Management Program		33,131		33,237		34,194		957
Columbia River smolt		112		112		0		(112)
International fisheries commission		1,100		1,100		400		(700)
Pribilof Islands		300		300		0		(300)
Beluga Whale Committee		192		192		0		(192)
Pacific pelagic species management		1,606		1,606		1,606		0
Subtotal	166	36,441	163	36,547	163	36,200	0	(347)
Protected Species Management		16,227		16,089		16,507		418
Fishery observer training		96		96		0		(96)
East Coast observers		700		700		0		(700)
Subtotal	175	17,023	172	16,885	172	16,507	0	(378)
Habitat Conservation	83	5,800	81	5,761	81	6,306	0	545
Enforcement & Surveillance	145	11,000	143	11,150	143	12,637	0	1,487
Total, Conservation and Mgmt. Operations	569	70,264	559	70,343	559	71,650	0	1,307
State and Industry Assistance Programs								
Grants to States		5,642		5,559		5,559		0
Anadromous grants		186		186		0		(186)
Louisiana emergency fund		5,100		0		0		0
Subtotal	0	10,928	0	5,745	0	5,559	0	(186)
Fisheries Development Program		16,800		16,945		17,954		1,009
Export strategies/mahi mahi		768		768		0		(768)
Subtotal	224	17,568	220	17,713	220	17,954	0	241
Total, State & Industry Assist. Progs	224	28,496	220	23,458	220	23,513	0	55
TOTAL, NMFS	2,282	223,026	2,240	218,733	2,240	224,043	0	5,310

Information Collection and Analyses - This budget sub-activity provides for the collection, analysis, and dissemination of timely biological, environmental, economic, and statistical data on 171 stocks of fish, marine mammals, endangered species, and their habitats. This level of funding will provide the data required to maintain existing Fisheries Management Plans and current protected species data collection programs.

An increase of $7.5 million is requested to maintain these critical current activities. Such funding is necessary to avoid significant downsizing that could involve over 170 employees and the closure of a number of NMFS facilities involved in Information Collection and Analyses activities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans nation-wide and in-season allocation adjustments, as well as delays in the development, review and implementation of new management actions. Six decreases totalling $3.5 million are proposed for activities that are not essential to achieve management objectives. For example, a decrease of $576,000 is requested for operation and maintenance costs at the Fish and Wildlife Service's Stuttgart, Arkansas facility; NOAA funding should not support catfish rearing at Stuttgart because these activities relate to freshwater programs which are the responsibility of the Department of the Interior.

Conservation and Management Operations - This budget sub-activity provides for the management of fish stocks, marine mammals, and endangered species; enforcement of fishery laws and regulations; and the protection of habitats. The FY 1994 budget request will enable NMFS to maintain the implementation of existing Fisheries Management Plans, existing recovery and conservation efforts for protected species and the enforcement of existing laws and regulations.

An increase of $3.4 million is requested to maintain these on-going current activities. Such funding is necessary to avoid significant downsizing that could involve over 75 employees involved in Conservation and Management Operations activities. This downsizing would result in delays in the implementation of a new marine mammal exemption program, as well as delays in issuing permits for research and incidental takings that, in turn, may affect commercial fishing operations. NMFS would not be able to develop and/or implement ESA recovery plans on a timely basis for many species of Pacific salmon, sea turtles, dolphins, whales and seals, thus potentially resulting in the loss of such species. Further, NMFS would not be able to provide comments on habitat permitting actions in a timely way and would not be able to support the habitat restoration activities agreed to in a 1991 cooperative agreement between NOAA and the Department of the Army to restore and create fishery habitat, thus allowing greater loss of productive habitat and adversely affecting fish, marine mammal and sea turtle populations. Moreover, the number of enforcement agents and dockside enforcement personnel would have to be reduced, thus adversely affecting NOAA's monitoring of industry activities and compliance with fishery management laws and regulations. Six decreases totalling $2.1 million are proposed for activities that are not essential to achieve management objectives. For example, a decrease of $700,000 is requested for International Fisheries Commissions.

This funding provided assistance to the states in support of sea lamprey control in the Great Lakes--a more appropriate responsibility of the Department of the Interior. This decrease would maintain NOAA funding for the Pacific Salmon Commission to carry out its obligations under the Pacific Salmon Treaty with regard to the trans-boundary rivers -- the Taku, Stikine and Alsek rivers--responsibilities that appropriately reside in NMFS.

State and Industry Assistance Programs - This budget sub-activity provides for fisheries trade, product quality and safety research, and cost-sharing state grants for anadromous and interjurisdictional fisheries.

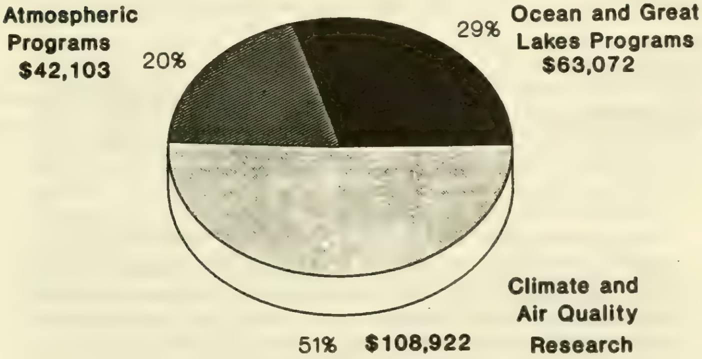
An increase of $1 million is requested to maintain these critical current activities. Such funding is necessary to avoid significant downsizing that could involve over 25 employees involved in State and Industry Assistance activities and the closure of a NMFS facility. This downsizing would result in delays in implementation of an improved seafood inspection program. Moreover, the agency's ability to provide adequate support to industry and other Federal agencies in the areas of GATT and trade and the environment would be compromised. Two decreases totalling $1 million are proposed for activities that are not essential to address critical seafood safety and trade issues.

OCEANIC AND ATMOSPHERIC RESEARCH

Oceanic and Atmospheric Research (OAR) programs provide the research and technique development necessary to improve NOAA services (weather warnings and forecasts, solar-terrestrial services, and marine services); provide the scientific bases for national policy decisions (e.g. causes and impacts of climate change, acid rain and ozone issues, effectiveness of Clean Air Act mandates); promote economic growth (e.g., marine biotechnology and development of new environmental observing technologies); and provide supporting high performance computing and communications technologies. Research is conducted by NOAA and university scientists and focusses on five areas critical to the Nation: climate change, water resources, natural hazards prediction, environmental quality and sustainable use of marine resources.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $214,097

(Direct Obligations)

DETAILS OF THE OAR BUDGET

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
OCEANIC AND ATMOSPHERIC RESEARCH:								
Climate and Air Quality Research								
Interannual & Seasonal Climate Research	22	$7,909	22	$7,945	22	$7,945	0	$0
Long-term Climate and Air Quality Research	290	25,042	285	26,079	285	31,075	0	4,996
Climate and Global Change	64	46,997	63	46,902	63	69,902	0	23,000
Total, Climate and Air Quality Research	376	79,948	370	80,926	370	108,922	0	27,996
Atmospheric Programs								
Weather Research		33,670		34,395		36,735		2,340
Federal/State weather mod. grants		2,639		2,639		0		(2,639)
Southeastern Storm Research		372		372		0		(372)
Subtotal	314	36,681	308	37,406	308	36,735	0	(671)
Solar-Terrestrial Services and Research	79	4,850	77	4,926	77	5,368	0	442
Total, Atmospheric Program	393	41,531	385	42,332	385	42,103	0	(229)
Ocean and Great Lakes Programs								
Marine Prediction Research		16,404		16,825		17,247		422
Zebra mussel		911		911		0		(911)
SE Florida & Caribbean recruitment studies		1,000		1,000		0		(1,000)
Lake Champlain study		190		190		0		(190)
Pacific island technical assistance		190		190		0		(190)
Subtotal	188	18,695	184	19,116	184	17,247	0	(1,869)
Sea Grant		40,000		39,787		39,787		0
Sea grant - zebra mussels		2,800		2,800		0		(2,800)
National Coastal R&D Institute		1,300		1,300		0		(1,300)
Subtotal	25	44,100	25	43,887	25	39,787	0	(4,100)
Undersea Research Program								
National Undersea Research Program		15,998		15,923		2,038		(13,885)
Regional marine research programs		1,900		1,900		4,000		2,100
Subtotal	8	17,898	8	17,823	8	6,038	0	(11,785)
Total, Ocean and Great Lakes Programs	221	80,693	217	80,826	217	63,072	0	(17,754)
TOTAL, OAR	990	202,172	972	204,084	972	214,097	0	10,013

Climate and Air-Quality Research - This sub-activity supports research to develop the capability to predict inter-annual to long-term climate fluctuations and air quality changes due to natural and human causes. A key component is the international Tropical Oceans and Global Atmosphere program which investigates the air-sea interactions associated with the El Nino/Southern Oscillation phenomenon and resulting climatic effects on North and South America. Research is also done to understand the behavior and effects of: atmospheric "greenhouse" gases, which may affect long-term climate; gases which contribute to acid rain and other pollutants; and stratospheric ozone depletion.

The FY 1994 budget includes an increase of $2.4 million to maintain critical components of the ongoing programs. The funds would maintain the global greenhouse gas measurements and other programs needed to address scientific issues associated with the Clean Air Act Amendments of 1990.

An investment increase of $2.6 million is included for High Performance Computing and Communications which will make possible major improvement in the Nation's ability to forecast the weather and predict climate change while, at the same time, stimulating gains in U.S. industrial competitiveness through the use of evolving high performance computing and high speed networking technologies. New global change and weather modeling software will be developed and evaluated and NOAA's vast holdings of environmental data will be made more accessible through high speed networks.

The FY 1994 budget includes $69.9 million for Climate and Global Change, an investment increase of $23 million that includes $19 million to continue its high-priority research programs supported in FY 1993 with monies appropriated to the State Department (due to the separation of domestic discretionary and international ceilings as a result of the Omnibus Budget Reconciliation Act of 1990 and subsequent transfer of funds to Commerce) and $4 million to begin implementing the U.S. support for the International Research Institute for Climate Prediction (IRICP). This request, like those of the other Committee on Earth and Environmental Sciences (CEES) agencies, will enable NOAA to focus on high-priority, multi-disciplinary investigations which respond to some of the most critical near-term information needs in the United States Global Change Research Program (USGCRP). Global environmental issues, addressed by the USGCRP, remain among the Administration's top priorities and were highlighted at the United Nations Conference on Environment and Development (UNCED) in June 1992.

Atmospheric programs - This budget sub-activity covers research activities that will provide the Nation with more accurate forecasts and warnings of severe weather and geomagnetic storms which annually cause hundreds of deaths and billions of dollars worth of damage. Research is focused on developing better observing tools, understanding the processes that cause weather and solar-terrestrial phenomenon, and applying that information to improve warnings and forecasts. NOAA is leading the effort to produce the interagency implementation plan for the U.S. Weather Research Program. NOAA continues to support this program through its weather research activities and implementation and operation of NEXRAD, ASOS, AWIPS, and the Wind Profiler Demonstration Network.

The FY 1994 budget includes an increase of $2.3 million to maintain critical activities at NOAA's weather research laboratories. These funds would reinstate advanced forecast development (i.e., at PROFS and the National Severe Storms Laboratory, Hurricane Research Division) and refine remote sensing technologies for observing and predicting severe weather and precipitation conditions. These activities are key to maximizing the benefits of the NWS modernization program and to keeping NOAA's environmental services technology competitive. Decreases totaling $3 million are proposed which are not essential to achieve the objectives of the Weather Research Program. These include the termination of grant funding of research in weather modification conducted by six states and research on the way tornadoes and thunderstorms form in the southeast.

An increase of $0.4 million is included to fund full operation (24 hours/day, 7 days/week) of NOAA's Space Environment Services Center (SESC). From the SESC, NOAA provides space weather data, forecasts, and warnings to a broad user community of government agencies, industries, and private individuals engaged in satellite operations, space exploration, international navigation, high altitude polar flights, high frequency radio communications, remote surveillance, and electric power distribution.

Ocean and Great Lakes Programs - This sub-activity represents NOAA's efforts to: better understand and predict changes in the ocean and Great Lakes environments; ensure optimal use of those environments and their resources; and promote economic growth in marine industries. The program includes research to: develop a sound scientific basis for management, development, and use of coastal, estuarine, and Great Lakes resources; understand and predict physical, biological, and chemical processes and the interaction of these processes with contaminants in the nearshore zone; investigate the factors affecting the recruitment of young fish and shellfish into economically significant stocks; predict environmental conditions in the oceans and Great Lakes; and understand the significance of sub-sea venting to the global budgets of greenhouse gases.

The FY 1994 budget includes an increase of $2.1 million to provide additional funding through a competitive process for the nine Regional Marine Research Programs, which address regional marine priorities. These funds will also support the Regional Marine Research Boards, which develop research plans for the programs in coordination with NOAA and EPA. The FY 1994 request also includes an increase of $0.4 million to address some critical components of the intramural Marine Prediction Research programs including understanding how environmental factors affect marine resources, providing the foundation for environmental management activities on critical coastal quality issues, and supporting application of valuable new remote sensor data streams to these problems.

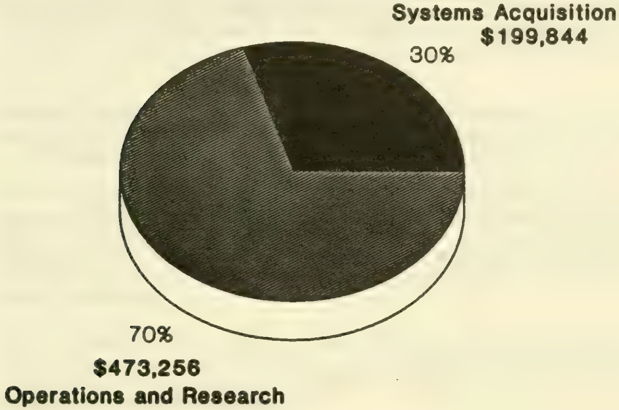
The request includes $2 million for the Undersea Research Program, which will be refocused on aspects of the program of national significance such as deep diving facilities, research in diving safety, and technology development. Additional decreases totaling $6.4 million are proposed for activities which are not essential to achieve the objectives of the Ocean and Great Lakes Programs. The decreases include $3.7 million specifically identified for the studies of the zebra mussel, some of which can be continued as part of the base Sea Grant program and through other agency programs. Other reductions include termination of a grant to the National Coastal Resources Research and Development Institute to conduct marketing activities and to promote certain segments of the fishing industry and termination of studies of the relationship of oceanography to the recruitment of reef fish and spiny lobsters in the Florida Keys.

NATIONAL WEATHER SERVICE

The National Weather Service (NWS) provides weather and flood warnings, public forecasts, and severe weather advisories for all of the United States, the territories, adjacent waters and ocean areas primarily for the protection of life and property. Weather services are provided by a nationwide network of offices that collect data, utilize centrally prepared guidance products, prepare warnings and forecasts, and disseminate the information to the public. The NWS has initiated the process of modernization and restructuring to apply the latest science and technology to operational forecasting and to replace obsolete equipment.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $673,100

(Direct Obligations)

DETAILS OF THE NWS BUDGET

	1993		1994		1994		Increase/	
	Currently Available		Base		Estimate		(Decrease)	
NATIONAL WEATHER SERVICE:	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Operations and Research								
Local Warnings and Forecasts.		$308,126		$310,989		$329,269		$18,280
MARDI		23,316		23,316		75,813		52,497
Data buoy engineering and test		518		518		0		(518)
Contract observers		180		180		0		(180)
Aviation weather forecasts		35,596		35,596		35,596		0
Samoa		240		240		0		(240)
Subtotal	4,379	367,986	4,379	370,849	4,663	440,678	284	69,829
Central Forecast Guidance	271	28,211	266	28,159	266	30,034	0	1,875
Atmospheric and Hydrological Research	30	2,350	38	2,351	38	2,544	0	193
Total, Operations and Research	4,680	398,547	4,683	401,359	4,967	473,256	284	71,897
Systems Acquisition								
Public Warning and Forecast Systems								
NEXRAD		$84,516		$82,956		$123,545		$40,589
ASOS		18,000		17,510		18,135		625
AWIPS/NOAAPort		23,779		13,818		43,564		29,746
NMC computer facility upgrade		7,826		11,467		14,600		3,133
Total, Systems Acquisition	148	134,121	146	125,751	146	199,844	0	74,093
TOTAL, NWS	4,828	532,668	4,829	527,110	5,113	673,100	284	145,990

Operations and Research - Funding is provided for operations of the National Weather Service (NWS) including public weather and flood warnings and forecasts, and applied research. The FY 1994 budget proposal includes:

An increase of $20.3 million for NWS required to maintain operations during modernization pursuant to P.L. 102-567.

An investment increase of $52.5 million required to continue the NWS Modernization and Associated Restructuring Demonstration and Implementation (MARDI) program by providing the staffing to operate new Next Generation Weather Radar (NEXRAD) units which significantly improve weather warning capabilities. In addition, this increase is required to prepare for the nationwide modernization as well as accomplishing preparatory activities for the operational demonstration (MARD).

The request includes program decreases totaling $.9 million for three activities considered complete or able to be sufficiently addressed with requested resources.

Systems Acquisition - Acquisition and implementation of major new systems to modernize the NWS will continue in FY 1994. Major technologically advanced systems designed, procured, and accepted by the NOAA Systems Program Office and NWS are:

Next Generation Weather Radar (NEXRAD), with doppler radar capability, requires an increase of $40.6 million to fund the DOC share of the tri-agency program with the DOD and FAA. The NEXRAD network will provide nationwide radar coverage, improve detection of severe weather and floods, reduce false alarm rates, increase warning lead time, and replace the existing obsolete radar network.

Automated Surface Observing Systems (ASOS) requires an increase of $.6 million to continue full-scale production. ASOS will reduce time-consuming manual observations, provide continuous weather watch, and yield increased staff productivity.

Advanced Weather Interactive Processing System (AWIPS)/NOAAPORT requires an increase of $29.7 million to continue Development phase activities initiated in December 1992. AWIPS/NOAAPORT will enable local forecasters to integrate, process, and transmit high volume radar, satellite, upper air, surface observation data, and guidance information, provide communications capability for internal and external users, and remap GOES (satellite) data.

Central Computer Facility Upgrade funding, including acquisition of a Class VII supercomputer, is requested at $14.6 million, an increase of $3.1 million. The Class VII supercomputer will improve weather prediction modeling, and increase accuracy of centralized forecast guidance products

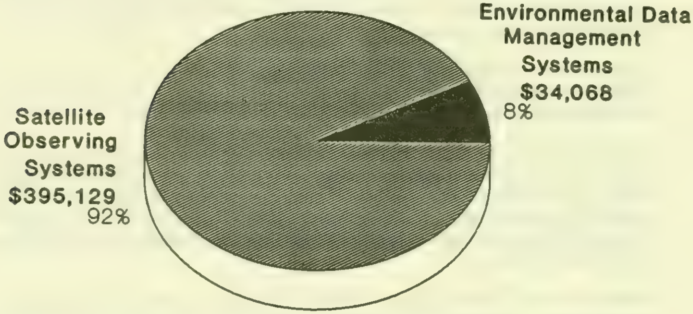
Investment increases associated with the MARDI, NEXRAD, ASOS, AWIPS/NOAAPORT and Central Computer Facility Upgrade programs are contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package.

NATIONAL ENVIRONMENTAL SATELLITE, DATA AND INFORMATION SERVICE

The National Environmental Satellite, Data, and Information Service (NESDIS) provides for procurement, launch, and operation of the polar orbiting and geostationary environmental satellites, and management of NOAA's environmental data collections. The satellites provide meteorological data to the National Weather Service (NWS) and other environmental data users. Environmental data and information are collected from NOAA and other sources, archived for future use, and disseminated to meet the needs of users in commerce, industry, agriculture, science and engineering, the general public, and Federal, state and local agencies.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $429,197

(Direct Obligations)

DETAILS OF THE NESDIS BUDGET

	1993		1994		1994		Increase/	
	Currently Available		Base		Estimate		(Decrease)	
NATIONAL ENVIRONMENTAL & SATELLITE, DATA, & INFORMATION SERVICE:	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Satellite Observing Systems								
Polar Spacecraft and Launching		$148,432		$152,056		$162,099		$10,043
Geostationary Spacecraft and Launching		118,000		116,565		182,746		66,181
Environmental Observing Services		47,600		48,502		50,284		1,782
Total, Satellite Observing Systems	664	314,032	652	317,123	652	395,129	0	78,006
Environmental Data Management Systems	142	32,646	139	32,786	139	34,068	0	1,282
TOTAL, NESDIS	806	346,678	791	349,909	791	429,197	0	79,288

Satellite Observing Systems - This budget sub-activity provides the funding associated with: 1) annual fluctuations in the activities associated with multi-year procurements for spacecraft, launches, and associated ground system changes for the polar orbiting and geostationary environmental satellites (POES and GOES); and 2) operation of NOAA's polar and geostationary satellite systems.

Investment increases in this sub-activity totalling $78 million are proposed to continue procurement of the GOES I through M series of spacecraft, the polar satellite series including NOAA N and N prime, and the launch services and ground systems associated with both programs. These increases are contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package. These systems will provide continuous environmental satellite coverage into the early 2000's.

The request for the Geostationary System is increased to cover the cost for the continuation of the spacecraft and instrument contracts and to accelerate the availability of the GOES K launch vehicle to have it ready if an earlier than planned launch of GOES-K is required.

The Polar-Orbiting System request includes funding to cover the Atlas launch of NOAA-J, continuation of NOAA KLM production, and the costs associated with the planned NOAA N and N prime spacecraft and additional instruments for the European satellite that will provide morning polar-orbiting coverage starting in FY 2001.

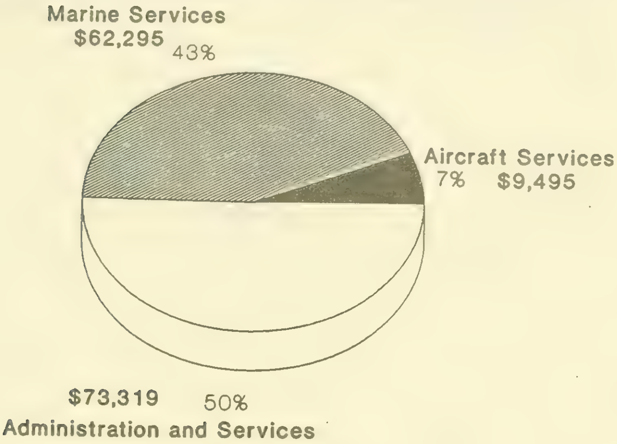
Environmental Data Management - This budget sub-activity provides environmental data and information products, services, and assessments in the atmospheric, marine, solid earth, and solar-terrestrial sciences to all of NOAA's programs. The FY 1994 request continues to provide global data and information in commerce, industry, agriculture, science and engineering, the general public, and Federal, state and local governments. Also included in this sub-activity is NOAA's ongoing effort to rescue aging data and improve user access to all NOAA maintained environmental data. The FY 1994 increase of $1.3 million in this sub-activity is for maintenance of critical National Data Center operations.

PROGRAM SUPPORT

Program Support provides centralized management for the operation of the fleet of NOAA ships and research aircraft and the NOAA Corps officers. Also included are executive direction and administration, which provides centralized management concerning NOAA policy and planning objectives, individual program operations, legal counsel, congressional relations and public affairs. NOAA also provides management services to NOAA/DOC field offices through the Administrative Support Centers.

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $145,109

(Direct Obligations)

DETAILS OF THE PROGRAM SUPPORT BUDGET

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
PROGRAM SUPPORT:	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Administration and Services								
Executive Direction and Administration	276	$26,100	271	$26,369	271	$26,369	0	$0
Central Administrative Support	1,112	38,000	1,092	39,244	1,092	39,244	0	0
Retired Pay Commissioned Officers	0	7,333	0	7,706	0	7,706	0	0
Total, Administration and Services	1,388	71,433	1,363	73,319	1,363	73,319	0	0
Marine Services		60,314		62,295		62,295		0
Marine electronics agenda		700		700		0		(700)
New England Science Center		186		186		0		(186)
Total, Marine Services	880	61,200	853	63,181	853	62,295	0	(886)
Aircraft Services	97	9,500	95	9,495	95	9,495	0	0
TOTAL, PROGRAM SUPPORT	2,364	142,133	2,311	145,995	2,311	145,109	0	(886)

Administration and Services - This budget sub-activity incorporates NOAA's overall executive direction and support for the operational programs including centralized executive management, congressional relations, public affairs, and general counsel. Also included are administrative support services such as procurement and personnel for NOAA and for the Department of Commerce (provided on a reimbursable basis) and retirement pay for commissioned officers of the NOAA Corps.

Marine Services - This budget sub-activity includes all of NOAA's marine fleet operations, which support programs of significant national interest, including climate and global change, marine environmental quality, marine resource assessment and development, safety of marine navigation, and protection of life and property.

The request includes two program decreases totaling $0.9 million for activities inappropriate as a Federal responsibility or unnecessary to meet highest priority management needs in FY 1994.

Aircraft Services - This budget sub-activity supports all of NOAA's aircraft support services. It ensures the operational readiness and enhances the capabilities of NOAA's aircraft to support NOAA, other Federal agency programs, international programs including TOGA COARE, the Climate and Global Change program, and Coastal Ocean Science activities.

OR&F SUMMARY AND FINANCING

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
NOS	988	$167,870	970	$152,823	939	$148,826	(31)	($3,997)
NMFS	2,282	223,026	2,240	218,733	2,240	224,043	[illegible]	5,310
OAR	990	202,172	972	204,084	972	214,097	0	10,013
NWS	4,837	532,666	4,829	527,110	5,113	673,100	284	145,990
NESDIS	806	346,676	791	349,909	[illegible]	429,197	0	79,288
PS	2,354	142,133	2,311	145,995	2,311	145,109	0	(886)
TOTAL DIRECT OBLIGATIONS:	12,257	1,614,547	12,113	1,598,654	12,368	1,834,372	253	235,718
REIMBURSABLE OBLIGATIONS:	1,259	369,081	1,259	369,081	1,259	390,385	0	21,304
TOTAL OBLIGATIONS:	13,516	1,983,628	13,372	1,967,735	13,625	2,224,757	253	257,022
FINANCING:								
Unobligated balance, start of year		0						
Recoveries of prior year obligations		(11,800)		(13,800)		(13,800)	0	0
Offsetting collections from:							0	0
Federal funds	(1,259)	(332,128)	(1,259)	(332,128)	(1,259)	(353,650)	0	(21,522)
Non-Federal sources		(36,953)		(36,953)		(36,735)	0	218
Trust funds		0		0		0	0	0
Subtotal, financing	(1,259)	(380,881)	(1,259)	(382,881)	(1,259)	(404,185)	0	(21,304)
TOTAL BUDGET AUTHORITY:	12,257	1,602,747	12,113	1,584,854	12,368	1,820,572	253	235,718
TRANSFERS:								
From "Promote and develop American fisheries"		(55,000)		(55,000)		(61,400)	0	(6,400)
From "Damage assessment & restoration revolving fund"		(17,500)		(1,500)		(1,500)	0	0
Less transfers implemented pursuant to P.L. 102-395		(3,725)		0		0	0	0
Subtotal, transfers	0	(76,225)	0	(56,500)	0	(62,900)	0	(6,400)
TOTAL APPROPRIATION (ORF):	12,257	$1,526,516	12,113	$1,528,354	12,368	$1,757,672	253	$229,318

OR&F SUMMARY OF CHANGES FROM FY 1993

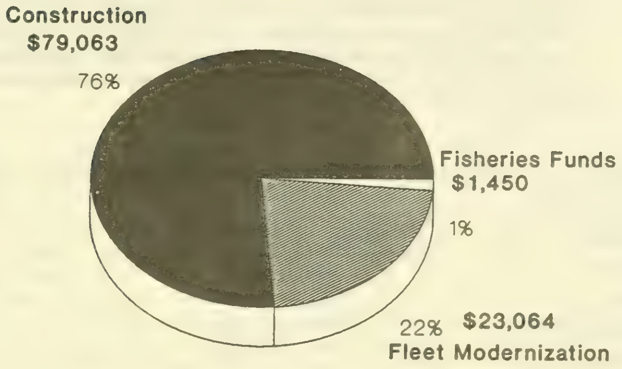
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	1994 Estimate			
	Detailed		Summary	
OPERATIONS, RESEARCH AND FACILITIES	Perm. Pos.	Amount	Perm. Pos.	Amount
Amount available as shown in 1994 President's Budget, 1993			12,257	$1,532,741
Less December 17 proposed transfers – not implemented (P.L. 102–395)				(2,500)
Amount currently available, 1993			12,257	1,530,241
Less transfers implemented (P.L. 102–395)				(3,725)
Appropriation, 1993			12,257	1,526,516
ADJUSTMENTS TO BASE:				
ADJUSTMENTS:				
Personnel savings	(144)	($12,768)		
Administrative savings		(11,239)		
Emergency supplemental		(5,100)		
Subtotal, adjustments			(144)	(29,107)
TRANSFERS and FINANCING:				
From "Promote and develop American fisheries"		55,000		
From "Damage assessment & restoration revolving fund"		1,500		
From recoveries of prior year obligations		11,800		
Subtotal, transfers and financing			0	68,300
OTHER COST CHANGES:				
Continuation of 1993 operating level		3,725		
Salaries and benefits:				
Pay raise		4,586		
Full year cost in 1994 of positions financed for part year in 1993		1,016		
Law enforcement		25		
Within-grade step increase		8,710		
Civil Service Retirement System (CSRS)		(985)		
Federal Employees Retirement System (FERS)		1,840		
Thrift Savings Plan		281		
Federal Insurance Contributions Act (FICA) – OASDI		1,348		
NOAA CORPS		373		
Cost of living allowance		169		
Health insurance premium		2,040		
Miscellaneous items		0		
Employees' Compensation Fund		238		
Unemployment compensation		(3,560)		
Other objects:				
Transportation of things		419		
Rent payments to GSA		10,737		
Rent payments to others		278		

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	1994 Estimate			
	Detailed		Summary	
Operations, research, and facilities	Perm. Pos.	Amount	Perm. Pos.	Amount
Communications, utilities & misc. charges				
Rental of Equipment				
Other Telecommunication System		($4,878)		
Other telephone		(369)		
Utilities		139		
Printing and reproduction		364		
Other services:				
Working Capital Fund		(60)		
Other services		3,413		
Supplies and materials		1,730		
Equipment		746		
Grants		620		
Subtotal, other cost changes			0	$32,945
TOTAL, ADJUSTMENTS TO BASE			(144)	72,138
1994 base			12,113	1,598,654
Program changes			253	235,718
TOTAL REQUIREMENTS			12,366	1,834,372
TRANSFERS and FY 1994 FINANCING:				
Transfer from "Promote and develop ...				
American fisheries"				(61,400)
From "Damage Assessment and Restoration Revolving Fund"				(1,500)
Recoveries from prior year obligations				(13,800)
TOTAL, TRANSFERS AND FINANCING				(76,700)
1994 APPROPRIATION			12,366	1,757,672

OTHER ACCOUNTS

FY 1994 BUDGET REQUEST

(Dollars in Thousands)



Total Request $103,577

(Direct Obligations)

CONSTRUCTION

These funds provide for the construction, repair and modification of new and existing facilities, facility planning and design, land acquisition, and environmental compliance requirements. At the funding level requested, there will continue to be a large backlog of facilities maintenance projects. NOAA has over 220 installations with an average age of almost 30 years. Environmental compliance projects, such as the one at the Pribilof Islands, Alaska will continue to be addressed.

A net decrease of $12.5 million is requested in construction. This is comprised of an increase of $14.7 million to continue the NEXRAD Weather Forecast Office (WFO) facilities modernization program. The National Weather Service (NWS) modernization systems are now being deployed, and it is critically important that the facilities modernization keep pace to support the transition program. Current plans and budgets provide for 116 modern WFOs/River Forecast Centers (RFCs). The increase for NEXRAD WFOs is contingent upon the enactment of an Omnibus Budget Reconciliation Act which includes the President's deficit reduction package. More than offsetting this increase are decreases of $27.2 million to terminate eight primarily one-time construction projects that no longer require funding.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Construction	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos	Amount
DIRECT OBLIGATIONS								
Facilities maintenance, construction and consolidation	5	$108,232	5	$91,630	5	$79,063	0	($12,567)
TOTAL OBLIGATIONS:	5	108,232	5	91,630	5	79,063	0	(12,567)
FINANCING:								
Unobligated balance, start of year		(15,957)					0	0
Transfer to other accounts		2,225					0	0
TOTAL APPROPRIATION:	5	94,500	5	91,630	5	79,063	0	(12,567)

FLEET MODERNIZATION SHIPBUILDING AND CONVERSION

NOAA develops and operates programs to manage and conserve selected marine resources; monitors and predicts weather and environmental conditions; provides maps, charts, surveys, and specialized data for navigation; and provides research to advance oceanic and atmospheric technology. A fleet of research and survey vessels is used extensively in this work. However, most of these vessels are now nearing or have surpassed their normal life expectancy. Both vessels and equipment have reached obsolescence. A Fleet Modernization program is underway to ensure the continued availability of platforms to support NOAA's programs.

The Fleet Modernization program continues to be a priority for the Administration. However, due to limited investment opportunities in FY 1994, a $4.5 million decrease is requested. At this level of funding, all routine and critical maintenance will be completed. A repair-to-extend (RTE) will be initiated and a T-AGOS conversion will be continued.

The Administration is continuing to assess long-term requirements for inclusion in the FY 1995 budget request and beyond.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Fleet Modernization, shipbuilding and conversion	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS								
Fleet modernization	16	$49,568	16	$27,594	16	$23,064	0	($4,530)
TOTAL OBLIGATIONS:	16	49,568	16	27,594	16	23,064	0	(4,530)
FINANCING:								
Unobligated balance, start of year		(21,068)					0	0
Transfer to other accounts		1,500					[illegible]	0
TOTAL APPROPRIATION:	16	30,000	16	27,594	16	23,064	0	(4,530)

FISHING VESSEL OBLIGATION GUARANTEE (FVOG) FUND

Under the authority of the Merchant Marine Act of 1936 and the provisions of the Credit Reform Act of 1990, the Federal Ship Financing Fund became a liquidating account for loan guarantees made prior to October 1, 1991. Any new loan guarantees made on or after October 1, 1991 (FY 1992) are made under the Fishing Vessel Obligation Guarantee (FVOG) appropriation. In FY 1993, the FVOG program has a loan guarantee ceiling of $47 million. The goal of this program is to provide loan guarantees that make long-term private credit at institutional-investment-market interest rates available for financing and refinancing the fishing industry's major capital investments for fishing vessels and shoreside processing facilities without exacerbating overcapitalization of the fishing industry. For FY 1994, NOAA proposes that no new loan guarantees be made under the Fishing Vessel Obligation Guarantee program. Therefore, no appropriation request is made for subsidy costs. This represents a decrease of $0.5 million from the FY 1993 appropriated level. The FVOG program represents an inappropriate and unnecessary Federal intrusion into the private credit markets. Sufficient financing on adequate financial terms is available through private credit markets.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Fishing vessel obligations guarantees program	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS								
Administrative expenses							0	$0
Investments and loans		$470		$483			0	(483)
TOTAL OBLIGATIONS:	0	470	0	483	0	$0	0	(483)
FINANCING:								
Unobligated balance, start of year							0	0
TOTAL APPROPRIATION:	0	470	0	483	0	0	0	(483)

GEOSTATIONARY OPERATIONAL ENVIRONMENTAL SATELLITE CONTINGENCY FUND

This fund was established through the FY 1992 Appropriation of $110 million to provide resources necessary to maintain the continuity of geostationary satellite coverage. A total of $38.1 million is being utilized in FY 1992 and FY 1993 to provide for the joint United States/European METEOSAT program to provide a back-up to our aging geostationary satellite currently in orbit. Funds also are being used to augment the polar-orbiting system to provide critical data in the event that the current satellite GOES-7 fails before GOES-I is ready for launch. NOAA anticipates that funds will be requested in FY 1994 for the continued operation of the METEOSAT program as necessary.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Geostationary Operational Environmental Satellite contingency fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS								
GOES contingency fund		$16,575					0	$0
TOTAL OBLIGATIONS:	0	16,575	0	0	0	0	0	0
FINANCING:								
Unobligated balance, start of year		(90,516)		($73,941)		($73,941)	0	0
Unobligated balance, end of year		73,941		73,941		73,941	0	0
TOTAL BUDGET AUTHORITY	0	0	0	0	0	0	0	0
TOTAL APPROPRIATION	0	0	0	0	0	0	0	0

PROMOTE AND DEVELOP FISHERY PRODUCTS & RESEARCH PERTAINING TO AMERICAN FISHERIES

The Fund provides assistance grants to the U.S. fishing industry for development. The Fund is supported by a transfer of 30 percent of the gross receipts from duties collected on the importation of fish and fish products from the Department of Agriculture (DOA) to the Department of Commerce (NOAA). The FY 1994 budget proposes that the entire DOA transfer of $61.4 million be used to offset the appropriation requirements of the Operations, Research and Facilities (OR&F) account. Funds are not requested for industry assistance grants and the Fisheries Promotional Fund in FY 1994 because these activities are not of the same critical nature as those proposed for support in the OR&F account and because direct support for industry development and marketing projects is more appropriately the role of the U.S. fishing industry.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Promote and develop fishery products and research pertaining to American fisheries	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS:								
Administrative expenses	7	$492	7	$415		$0	(7)	($415)
Saltonstall-Kennedy grants		6,951		5,985		0	0	(5,985)
TOTAL DIRECT OBLIGATIONS	7	7,443	7	6,400	0	0	(7)	(6,400)
FINANCING:								
Unobligated balance, start of year		(1,035)		0		0	0	0
TOTAL BUDGET AUTHORITY	7	6,408	7	6,400	0	0	(7)	(6,400)
TRANSFERS:								
From Department of Agriculture		(61,408)		(61,400)		(61,400)	0	0
To "Operations, research and facilities"		55,000		55,000		61,400	0	6,400
To "Fisheries promotional fund"		-		0			0	0
TOTAL APPROPRIATION	7	0	7	0	0	0	(7)	0

FISHING VESSEL AND GEAR DAMAGE COMPENSATION FUND (FVGDCF)

This Fund provides compensation to fishing vessel owners who sustain losses or damage to their gear or vessels attributed to other fishing vessels. The Fund is supported by a surcharge imposed upon foreign fishing permit fees and is operated through the appropriation of existing balances from previous year surcharges and interest earned. For FY 1994, an appropriation of $1.3 million from balances available in the fund is required to meet anticipated claim and administrative expenses.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Fishing vessel and gear damage compensation fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS:								
Administrative expenses	4	$264	4	$190	4	$190	0	$0
Payment of claims		1,475		1,145		1,145	0	0
TOTAL DIRECT OBLIGATIONS:	4	1,739	4	1,335	4	1,335	0	0
FINANCING:								
Unobligated balance, start of year		(433)		0		0	0	0
TOTAL APPROPRIATION:	4	1,306	4	1,335	4	1,335	0	0

FISHERMEN'S CONTINGENCY FUND (FCF)

This Fund provides compensation to domestic fishermen for the damage or loss of fishing gear, and resulting economic loss due to obstructions related to oil and gas exploration, development, or production in areas of the Outer Continental Shelf. The Fund is supported by assessments on holders of leases, explorations, permits, easements, and rights of way in areas of the Outer Continental Shelf. For FY 1994, an appropriation of $1.1 million is requested for claims and administrative expenses.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Fishermen's contingency fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS:								
Administrative expenses	[illegible]	$63	1	$48	[illegible]	$48	[illegible]	$0
Payment of claims		1,441		1,003		[illegible]	[illegible]	0
TOTAL DIRECT OBLIGATIONS:		1,504	[illegible]	1,051	[illegible]	[illegible]	[illegible]	[illegible]
FINANCING:								
Unobligated balance, start of year		(454)					0	0
TOTAL APPROPRIATION:	[illegible]	1,050	1	1,051	1	1,051	[illegible]	[illegible]

FOREIGN FISHING OBSERVER FUND (FFOF)

This Fund provides observer coverage of foreign fishing activities within the 200-mile Exclusive Economic Zone (EEZ). The Fund is supported by fees charged foreign fishermen for the cost of placing an observer aboard their vessel while operating within the EEZ. Beginning in FY 1985 foreign fishermen contracted directly with observer contractors approved by the Secretary of Commerce to place observers aboard foreign vessels operating in the EEZ. The FY 1994 budget request of $0.6 million for the observer program will be supplemented by having foreign fishermen continue to contract directly with observers to maintain 100 percent observer coverage in the EEZ.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Foreign fishing observer fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm Pos	Amount
DIRECT OBLIGATIONS:								
Foreign fishing observer fund	5	$651	5	$564	5	$564	0	$0
FINANCING:								
Unobligated balance, start of year		(86)					0	0
TOTAL APPROPRIATION:	5	565	5	564	5	564	0	0

COASTAL ZONE MANAGEMENT FUND

The 1990 reauthorization of the Coastal Zone Management Act (P.L. 101-508) established the Coastal Zone Management Fund (CZMF) and directed that loan repayments that previously were deposited in the Coastal Energy Impact Fund (CEIF) be deposited in the new CZMF. The FY 1993 appropriation language stipulated that $7.8 million from this Fund be used to augment the OR&F funding for the Sec. 306 States Assistance Grants and for the Sec. 305 Program Development Grants. The FY 1994 budget proposes that $7.8 million from the Fund be used as set forth in Sec. 308 of the CZM Act.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Coastal zone management fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos	Amount
REIMBURSABLE OBLIGATIONS:								
Coastal zone management activities	0	$7,800	0	$7,800	0	$7,800	0	$0
TOTAL OBLIGATIONS:	0	7,800	0	7,800	0	7,800	0	0
FINANCING:								
Unobligated balance, start of year		(10,738)		(10,738)		(10,738)	0	0
Unobligated balance, end of year		10,738		10,738		10,738	0	0
Offsetting collections from:								
Non-Federal sources		(7,800)		(7,800)		(7,800)	0	0
Subtotal, financing	0	(7,800)	0	(7,800)	0	(7,800)	0	0
TOTAL BUDGET AUTHORITY:	0	0	0	0	0	0	0	0

DAMAGE ASSESSMENT AND RESTORATION REVOLVING FUND

Funds obtained through litigation from parties responsible for injury to marine environment and/or resources are deposited in the Damage Assessment and Restoration Revolving Fund to be used for damage assessment, response, and restoration activities conducted by NOAA. The funds are transferred to the OR&F account before being obligated. In FY 1993, EXXON-VALDEZ and Southern California settlement funds amounted to $17.5 million. In 1994, an amount of $1.5 million is anticipated.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Damage assessment and restoration revolving fund (DARRF)	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS								
DARRF	0	$567	0	$0	0	$0	0	$0
TOTAL OBLIGATIONS:	0	567	0	0	0	0	0	0
FINANCING:								
Unobligated balance, start of year	0	(7,758)	0	0	0	0	0	0
Unobligated balance, end of year	0	0	0	0	0	0	0	0
Unobligated balance transferred	0	0	0	0	0	0	0	0
Offsetting collections	0	(10,318)	0	(1,500)	0	(1,500)	0	0
TOTAL BUDGET AUTHORITY	0	(17,508)	0	(1,500)	0	(1,500)	0	0
TRANSFERS								
To Operations, Research & Facilities	0	17,508	0	1,500	0	1,500	0	0
TOTAL APPROPRIATION:	0	0	0	0	0	0	0	0

AVIATION WEATHER TRUST FUND

NOAA provides meteorological observations, forecasts, warnings, and advisories to the Federal Aviation Administration (FAA) and other aviation interests in support of the National Airspace System. In FY 1993, the request of $35.6 million for the Aviation Weather Trust Fund was appropriated directly into the OR&F account from the General Fund of the Treasury. The FY 1994 request of $35.6 million to carry out these meteorological activities is now included under OR&F, instead of under a separate account.

	1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Aviation weather trust fund	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
DIRECT OBLIGATIONS:								
Aviation weather services:							0	$0
TOTAL APPROPRIATION:	0	$0	0	$0	0	$0	0	0

APPROPRIATION SUMMARY

(Dollars in Thousands)

FEDERAL FUNDS:	1992	1993	1994 Estimate	Increase Decrease
Appropriation:				
Operations, research, and facilities	$1,461,999	$1,526,516*	$1,757,672	+$231,156
Geostationary Operational Environmental Satellite contingency fund	110,000	0	0	0
Fleet modernization, shipbuilding & conversion	33,200	30,000	23,064	-6,936
Construction	34,917	94,500	79,063	-15,437
Damage assessment and restoration revolving fund	0	0	0	0
Coastal zone management fund	0	0	0	0
Fishing vessel and gear damage compensation fund	1,281	1,306	1,335	+29
Fisheries promotional fund	250	0	0	0
Fishermen's contingency fund	1,000	1,025	1,051	+26
Fishing vessel obligation guarantee fund	1,770	470	0	-470
Foreign fishing observer fund	-1204	565	564	-1
Total Appropriation:	**1,643,213**	**1,654,382**	**1,862,749**	**+208,367**

Transfers:	1992	1993	1994 Estimate	Increase Decrease
To: Operations, research, and facilities (ORF)				
From:				
Promote and develop fishery products	63,100	55,000	61,400	+6,400
Damage assessment and restoration revolving fund	6,447	17,506	1,500	-16,006
Construction account	0	2,225	0	-2,225
Fleet modernization, shipbuilding and conversion account	0	1,500	0	-1,500
Subtotal, ORF	69,547	76,231	62,900	-13,331
Promote and develop fishery products (P&D)				
From: Department of Agriculture	64,113	61,408	61,400	-8
To: ORF	-63,100	-55,000	-61,400	-6,400
Subtotal, P&D	1,013	6,408	0	-6,408
From: Damage assessment and restoration revolving fund (DARRF)				
To: ORF	-6,447	-17,506	-1,500	+16,006
Unobligated balance transfer from Dept. of Interior	4,575	0	0	0
Subtotal, DARRF	-1,872	-17,506	-1,500	16,006

Transfers (cont.):	1992	1993	1994 Estimate	Increase Decrease
From: Construction account				
To: ORF	0	-2,225	0	+2,225
From: Fleet modernization, shipbuilding and conversion				
To: ORF	0	-1,500	0	+1,500
Total, NOAA Transfers	**68,688**	**61,408**	**61,400**	**-8**
Obligation Limitation: Coastal zone management fund	-2,296	0	0	0
TOTAL BUDGET AUTHORITY: (Federal Funds)	**1,705,251**	**1,715,790**	**1,924,149**	**+208,359**
TRUST FUNDS:				
Aviation weather trust fund	35,389	0	0	0
TOTAL BUDGET AUTHORITY: (All Funds)	**1,740,640**	**1,715,790**	**1,924,149**	**+208,359**

* Includes the emergency supplemental of $5,100 associated with Hurricane Andrew. Does not include pending 1993 supplemental request for $80,773.

REAUTHORIZATION

Several public laws covering the budget authority requested in the FY 1994 budget need reauthorization in the 1st session of the 103rd Congress. These authorizing acts and the appropriate dollar amounts are shown on the chart below.

National Oceanic & Atmospheric Administration:	(Dollars in thousands) 1993 Enacted	1994 Base	1994 Request
Operations, research, & facilities			
NOAA Authorization Act of 1992, P.L. 102-567, exp. 9/93.	1,251,133	1,262,719	1,452,324
National Marine Fisheries Service			
Endangered Species Act of 1973, P.L. 93-205, exp. 9/92.	8,821	8,812	8,405
Magnuson Fisheries Conservation and Management Act, P.L. 101-627, exp. 9/93.	98,408	96,751	101,277
Marine Mammal Protection Act P.L. 100-711, exp. 9/93.	20,558	20,471	21,101
NOAA Marine Fisheries Program Authorization Act, P.L. 102-567, exp. 9/93.	84,281	86,954	87,701
Oceanic and Atmospheric Research			
Climate Program, P.L. 102-567, exp. 9/93.	46,997	46,902	69,902
Other Accounts			
Construction, P.L. 102-567, exp. 9/93.	94,500	91,630	79,063

FY 1994 PROPOSED INCREASES

(dollars in thousands)

	FY 1994 BASE	INCREASE
Operations, research and facilities		
NATIONAL OCEAN SERVICE		
Mapping, Charting, and Geodesy		
. Geodesy	15,902	2,500
Observation and Assessment		
• Observation and Prediction . . .	16,748	1,000
Total, National Ocean Service		3,500
NATIONAL MARINE FISHERIES SERVICE		
Information Collection and Analysis		
• Resource Information	78,645	4,683
• Fishery Industry Information . .	18,050	876
• Information Analyses & Dissemination	21,637	1,925
Conservation and Management Operations		
• Fisheries Management Program . .	33,237	957
. Protected Species Management . .	16,089	418
• Habitat Conservation	5,761	545
• Enforcement and Surveillance . .	11,150	1,487
State and Industry Assistance Programs		
• Fisheries Development Program . .	16,945	1,009
Total, National Marine Fisheries Service		11,900

	FY 1994 BASE	INCREASE
OCEANIC AND ATMOSPHERIC RESEARCH		
Climate and Air Quality Research		
· Long-Term Climate & Air Quality	26,079	2,396
· Climate and Global Change	46,902	23,000
· High Performance Computing . . .	0	2,600
Atmospheric Programs		
. Weather Research	34,395	2,340
· Solar Terrestrial Forecast and Warnings	4,926	442
Ocean and Great Lakes Programs.		
. Marine Prediction Research . . .	16,825	422
· Regional Marine Research Program	1,900	2,100
Total, Oceanic and Atmospheric Research .		33,300
NATIONAL WEATHER SERVICE		
Operations and Research		
· Local Warnings and Forecasts . .	310,989	18,280
. MARDI	23,316	52,497
. Central Forecast Guidance	28,159	1,875
. Atmospheric and Hydrological Research	2,351	193
Systems Acquisition		
· NEXRAD	82,956	40,589
. ASOS	17,510	625
. AWIPS/NOAA-Port	13,818	29,746
. Computer, Class VII	11,467	3,133
Total, National Weather Service		146,938
NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE		
Satellite Observing Systems		
· Polar Spacecraft and Launching .	152,056	10,043
· Geostationary system	116,565	66,181
. Environmental Observing Service .	[illegible]	[illegible]
Environmental Data Management System		
. Environmental Data Management Systems	32,786	[illegible]
Total, National Environmental Satellite, Data, and Information Service		79,284

	FY 1994	
	BASE	INCREASE
PROGRAM SUPPORT		
Total, Program Support		0
Total, Operations Research and Facilities . .		274,926
Construction		
• NEXRAD facilities	48,133	14,651
Total, All Appropriations		289,577

FY 1994 PROPOSED DECREASES

(dollars in thousands)

	FY 1994 BASE	DECREASE
Operations, research and facilities		
NATIONAL OCEAN SERVICE		
Mapping, Charting & Geodesy		
• Mapping and Charting	$32,238	$2,500
• SC cooperative geodetic survey .	554	554
• Land information system	1,674	1,674
Observation and Assessment		
. Observation buoys/California . .	140	140
• Observation buoys/Chesapeake Bay . .	400	400
• Institute for Marine Engineering	500	500
• Marine protective structures . .	100	100
• NY harbor water quality model . . .	75	75
. Maui algal bloom crisis	450	450
Ocean and Coastal Management		
• Charleston, SC. special area management plan	960	960
. Hawaii humpback marine sanctuary institute	144	144
Total, National Ocean Service		7,497

	FY 1994 BASE	DECREASE
NATIONAL MARINE FISHERIES SERVICE		
Information Collection & Analyses		
. Oyster disease research	1,500	1,500
· Stuttgart	576	576
· Hawaii stock management plan . .	500	500
· Hawaiian monk seals	520	520
· Atlantic bluefin tuna research .	300	300
· Center for Shark Research	140	140
Conservation and Management Operations		
· Columbia River smolt	112	112
· International Fisheries Commission	1,100	700
· Pribilof Islands	300	300
. Beluga whale Committee	192	192
· Fishery observer training	96	96
· East Coast observers	700	700
State and Industry Assistance Programs		
· Anadromous fishery project . . .	186	186
· Export strategies/Mahi Mahi . . .	768	768
Total, National Marine Fisheries Service		6,590

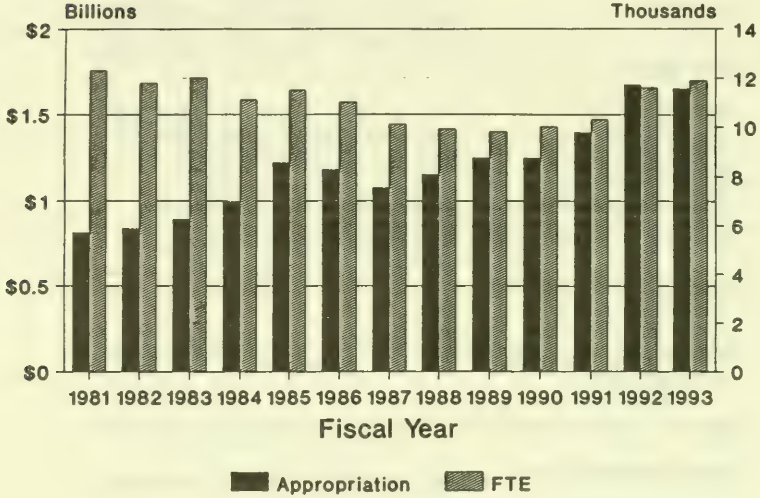
	FY 1994 BASE	DECREASE
OCEANIC AND ATMOSPHERIC RESEARCH		
Atmospheric Programs		
. Federal/State Weather Modification grants	2,639	2,639
. Southeastern Storm Research . . .	372	372
Ocean and Great Lakes Programs		
. Southeast Florida and Caribbean Recruitment Studies	1,000	1,000
• GLERL zebra mussel	911	911
• Lake Champlain study	190	190
• Pacific island technical assistance	190	190
• Sea Grant Zebra Mussel	2,800	2,800
• National Coastal R&D Institute .	1,300	1,300
. National Undersea Research Program	15,923	13,885
Total, Oceanic and Atmospheric Research .		23,287
NATIONAL WEATHER SERVICE		
Operations and Research		
• Data Buoy Engineering & Testing .	518	518
. Contract Observers	190	190
. Samoa.	240	240
Total, National Weather Service		948
NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE		
Total, National Environmental Satellite, Data & Information Service		0

	FY 1994 BASE	DECREASE
PROGRAM SUPPORT		
Marine Services		
· Marine Electronics Agenda	700	700
· New England Science Center . . .	186	186
Total, Program Support		886
Total, Operations, research and facilities . .		39,208
Construction		
· Multispecies Aquaculture Center .	381	381
· Woods Hole Marine Biology	953	953
· Newport Marine Science Center . .	1,752	1,752
· Alaska Fisheries Center	95	95
· Columbia river facilities	7,822	7,822
· U. of N.H. Biological Science . .	14,309	14,309
. Boston Biotechnology Innovation Center	953	953
. Mystic, CT Maritime Education & Research	953	953
Total Construction		27,218
Fleet modernization, shipbuilding and conversion	27,594	4,530
Fishing vessel obligations guarantees program		
· No new loan guarantees	483	483
Promote and develop fisheries products . .	6,400	[6,400]
Total, All Appropriations		71,439

EMPLOYMENT

Appropriation:	FY 1993 Perm. Pos.	FY 1993 FTE	FY 1994 Perm. Pos.	FY 1994 FTE	Change Perm. Pos.	Change FTE
Operations, research, and facilities	12,257	11,809	12,366	11,904	+109	+95
Fleet modernization, shipbuilding and conversion	16	16	16	16	0	0
Construction	5	5	5	5	0	0
Promote and develop American fisheries	7	7	0	0	-7	-7
Fishing vessel and gear damage compensation fund	4	4	4	4	0	0
Fishermen's contingency fund	1	1	1	1	0	0
Foreign fishing observer fund	5	5	5	5	0	0
Reimbursable, all accounts	1,259	1,213	1,259	1,213	0	0
Total	13,554	13,060	13,656	13,148	+102	+88

NOAA BUDGET HISTORY



Department of Commerce
National Oceanic and Atmospheric Administration
Budget Estimates, Fiscal Year 1994
CONGRESSIONAL BUDGET SUBMISSION

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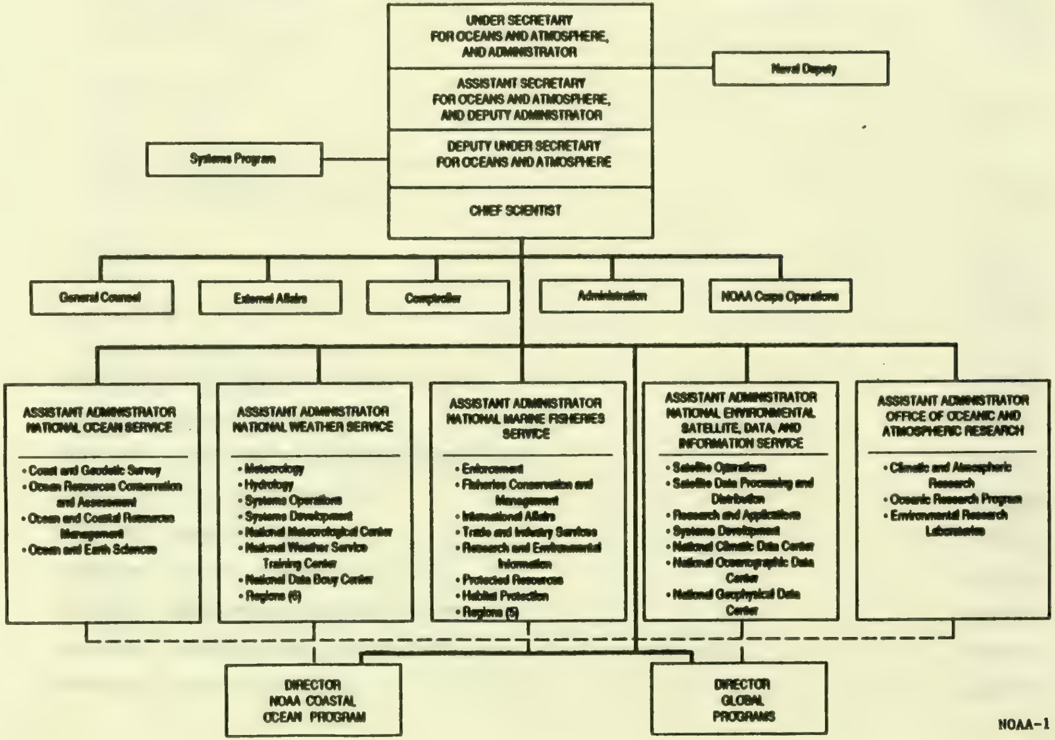
U.S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION


UNDER SECRETARY FOR OCEANS AND ATMOSPHERE, AND ADMINISTRATOR
ASSISTANT SECRETARY FOR OCEANS AND ATMOSPHERE, AND DEPUTY ADMINISTRATOR
DEPUTY UNDER SECRETARY FOR OCEANS AND ATMOSPHERE
CHIEF SCIENTIST
Naval Deputy
Systems Program
General Counsel
External Affairs
Comptroller
Administration
NOAA Corps Operations
ASSISTANT ADMINISTRATOR NATIONAL OCEAN SERVICE
• Coast and Geodetic Survey
• Ocean Resources Conservation and Assessment
• Ocean and Coastal Resources Management
• Ocean and Earth Sciences
ASSISTANT ADMINISTRATOR NATIONAL WEATHER SERVICE
• Meteorology
• Hydrology
• Systems Operations
• Systems Development
• National Meteorological Center
• National Weather Service Training Center
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ASSISTANT ADMINISTRATOR NATIONAL MARINE FISHERIES SERVICE
• Enforcement
• Fisheries Conservation and Management
• International Affairs
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ASSISTANT ADMINISTRATOR NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE
• Satellite Operations
• Satellite Data Processing and Distribution
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• National Oceanographic Data Center
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ASSISTANT ADMINISTRATOR OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH
• Climatic and Atmospheric Research
• Oceanic Research Program
• Environmental Research Laboratories
DIRECTOR NOAA COASTAL OCEAN PROGRAM
DIRECTOR GLOBAL PROGRAMS

NOAA-1

General Statement

The National Oceanic and Atmospheric Administration (NOAA) serves the Nation through its science and expertise -- by supplying environmental information such as weather predictions and observational assessments; providing informed stewardship of our living marine resources, oceans and atmosphere; and conducting research to explain the processes of our changing global environment. As a science agency, NOAA demonstrates the important roles that sound research plays in formulating resource management and policy decisions. As the Administration articulates in A Vision of Change for America, one goal is to "set real environmental priorities for action based on the best scientific and economic evidence we can develop."

The Administration's agenda for the 1990s includes using the agency's unique capabilities to meet the Administration's goals through a variety of services and activities. NOAA provides scientific information to individuals, industries, and governments to be used in near term, long-term, and future decision-making. Weather forecasts give farmers accurate agricultural information to enhance the probability of successful crops, and make daily life more manageable for everyone. In times of impending disaster, the weather services provided by NOAA are of crucial importance to human safety in both inland and coastal areas. NOAA's traditional production of nautical charts is integral to the safety of all mariners, whether commercial or recreational.

NOAA is charged with protecting the future health of both our oceans and atmosphere. Preservation of ocean and coastal resources for all users and future generations, includes conducting research to ensure that the ecological health of coastlines is balanced with impending development, ensuring the conservation and management of fish and marine mammal stocks, and administering protection of unique marine and estuarine habitats. In the atmospheric realm, data retrieved by NOAA's satellites will be used by future generations to study long-term changes in the earth's global processes. The climate change research NOAA conducts, as part of the Federal cross-cutting U.S. Global Change Research Program, is paramount to fully understanding these phenomena and provides a basis for implementing policy changes that will protect future generations.

The total NOAA request for FY 1994 is $1.92 billion. Of the total, $1.76 billion is in the Operations, Research and Facilities (OR&F) appropriation, $79.1 million is in the Construction appropriation, $23.1 million is in the Fleet Modernization and Ship Conversion appropriation, and $1.45 million is requested for various special fisheries funds. Included in the OR&F Appropriation is $32.4 million in adjustments to base for keeping pace with uncontrollable cost increases. The budget also includes a total transfer of $62.9 million from the Promote and Develop American Fisheries account and the Damage Assessment and Restoration Revolving Fund as offsets to the OR&F account.

NOAA's FY 1994 budget request ensures and continues the capability of the agency to meet the urgent environmental needs of the 1990s. The FY 1994 request addresses four broad priorities:

- Continued modernization of the Nation's weather services;

- Maintenance of critical operations in fisheries, ocean and coastal management, oceanic and atmospheric research, and other core NOAA activities;

- Investments in global change research and high performance computing.

- Savings

NOAA's priorities are to fund critical activities that serve the Nation and support the Administration's goals. As articulated in A Vision of Change for America, "The Administration's initiatives offer certain proof that environmental protection and economic growth can -- and must -- go hand in hand." The FY 1994 request for NOAA totals $1,924,149,000 of which $243,065,000 is part of the Administration's investment strategy. The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package.

Modernization of the Nation's Weather Services

Weather Service modernization has been deemed a high priority of the Administration. In order for this commitment to be achieved, full funding of NOAA's request is necessary if current plans, schedules and contracts are to continue without modification. Modernization programs which include the procurement of satellites, observing systems, workforce transition, and construction of weather forecast offices requires additional investment funding of $217.5 million in FY 1994. The ongoing modernization effort has already proved to be critical to the safety of the Nation's citizens. Its success is demonstrated in the dramatic increase in warning time as well as a significant reduction in false alarms for severe weather when the modernized, as opposed to traditional equipment is used. More accurate and reliable weather warnings save lives. NOAA's weather research has also lead to significant improvements in our ability to forecast the strength and track of hurricanes. The accurate predictions allowed the Nation to prepare for Hurricane Andrew, Hurricane Hugo, and Hurricane Iniki, substantially reducing the potential loss of human life. More recently, NOAA predicted the severity of the East Coast "Storm of the Century" several days in advance.

The investment request allows NOAA to proceed with the following components of the modernization program:

- Next Generation Weather Radar (NEXRAD) will replace existing obsolete radars and enhance national warning capabilities. An FY 1994 increase of $40.6 million is requested.

- Automated Surface Observations Systems (ASOS) will reduce manual observations, provide continuous data, and increase staff productivity. An FY 1994 increase of $0.6 million is requested.

- The Advanced Weather Interactive Processing System (AWIPS/NOAAPORT) will integrate radar, satellite, and other data at NWS forecast offices and provide the communication dissemination service to significantly improve forecasting capabilities. An FY 1994 increase of $29.7 million is requested.

- The Central Computer Facility Upgrade program will help improve forecasts of major storms and lead to more accurate medium and extended weather forecasts. An FY 1994 increase of $3.1 million is requested.

- Modernization and Associated Restricting Demonstration and Implementation (MARDI) provides for the staffing and training required to operate future weather offices as well as prepare for a multi-site demonstration of the modernized capabilities. An FY 1994 increase of $52.5 million is requested.

- Weather Forecast Office (WFO) construction (separate appropriation from OR&F) provides for the acquisition, construction, or renovation of the office facilities of the modernized and restructured Weather Service. An FY 1994 increase of $14.6 million is requested.

- Geostationary Operational Environmental Satellites (GOES) provides for the continued procurement of GOES I - M satellites, instruments, and ground systems that are the primary source of advance warnings of hurricanes and other severe weather events. An FY 1994 increase of $66.2 million is requested.

- Polar-Orbiting System provides for the continued procurement of replacement spacecraft and instrument payloads necessary to maintain a continuous constellation of two global environmental satellites until the early 2000's when the Europeans will assume responsibility for morning coverage. An FY 1994 increase of $10.0 million is requested.

Investing in the Future

Global environmental issues, highlighted at the United Nations Conference on Environment and Development (UNCED) held in June 1992 and addressed by the U.S. Global Change Research Program (USGCRP), are among the Administration's top priorities. The document Putting People First notes that the U.S. must, "Exert international leadership to advance our own nation's interest in a healthier global environment, a stable global climate, and global biodiversity..." NOAA's FY 1994 request includes a $23 million enhancement for Climate and Global Change, a continuing high-priority NOAA program. The request provides funding for NOAA participation in the USGCRP and allows the agency to continue its contribution in government-wide programs that are integrated by the Federal Coordinating Council for Science, Engineering and Technology (FCCSET).

The Climate and Global Change programs include observational and research activities that provide insights into critical Earth System problems. These insights have significant long-term benefits. Work will be pursued in such areas as atmospheric chemistry, the role of the ocean in climate change and in modeling which will eventually allow the Nation to reasonably predict the long-term climate change. The funds will also allow NOAA to begin implementing U.S. support for the International Research Institute for Climate Prediction (IRICP), a commitment the United States made at UNCED.

The FY 1994 request includes $2.6 million for the FCCSET program in High Performance Computing and Communications. These funds will make possible major improvements in the Nation's ability to forecast the weather and predict climate change, while, at the same time, stimulating gains in

U.S. industrial competitiveness through the use of evolving high performance computing and high speed networking technologies. More accurate and more timely assessment of the future impact of climate change will be possible. Finer resolution in global and regional models will result in better weather forecasting and warning services, especially for hazardous weather and flight safety.

Increases for both Climate and Global Change and HPCC are contingent upon enactment of an Omnibus Budget Reconciliation Act which includes the President's deficit reduction package.

Maintenance of Critical Operations in the Weather Service, Fisheries, Ocean Services and other NOAA Programs

NOAA's Agenda for the 1990's includes stewardship of the Nation's natural and living marine resources as well as the ability to maintain current weather service operations. This work, including the research to develop science-based policy options, cannot be undertaken without the proper resources. Funding to maintain critical operations, totaling $46.5 million, is essential for NOAA to carry out its statutory responsibilities and make the necessary contributions to environmental questions facing our Nation.

The FY 1994 request includes increased of $23.4 million to allow NOAA to continue providing critical weather services, such as local warnings and forecasts and allows the National Weather Service (NWS) to meet the conditions outlined in Public Law 102-567.

Funding of $11.9 million is needed to maintain the critical on-going operations of the National Marine Fisheries Service (NMFS). This funding is necessary to avoid a significant downsizing and the closure of a number of NMFS facilities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans, nation-wide and in-season allocation adjustments, as well as delays in the development, review and implementation of endangered species listings and recovery plans. Moreover, reauthorizations of the Magnuson Fisheries Management and Conservation Act, the Endangered Species Act and the Marine Mammal Protection Act are pending in FY 1993 and may lead to additional requirements, such as those specified in previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagics management), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. It is critical to ensure adequate funding of NMFS' on-going activities before these additional responsibilities are added. Such funding will enable the continued management of our living marine resources, the provision of essential recovery and conservation efforts for protected species and the enforcement of existing laws and regulations, as well as critical seafood safety and trade support. This funding will promote the productivity of the Nation's fisheries, the survival of protected species and the economic health of the seafood industry and may enable the Nation to avoid significant and potentially permanent losses to our fisheries which have a current dockside value of $3.5 billion ($16.5 billion in value added) and provide recreational opportunities to over 17 million anglers.

The National Ocean Service (NOS) is the steward of the Nation's ocean and coastal resources. Program increases of $3.5 million are essential for maintaining critical current operations and staffing. Without these basic operational funds, NOS would have to cut back drastically on geodetic activities related to the National Geodetic Reference System, critical to the rebuilding of the Nation's infrastructure. Moreover, there will not be sufficient funds to operate and maintain the tide gauges, resulting in significant degradation of the network. This in turn will lead to deterioration in the accuracy of tide predictions, nautical charts, and storm surge predictions. The Circulatory Program will not be able to keep pace with circulation changes in the Nation's estuaries, bays and coastal areas. These impacts could result in a visible and dangerous drop in the quality of the tide/current tables vital for the safety of maritime commerce. Finally, there will be no processing, analysis or distribution of global sea level data or products derived from satellite altimeter measurements.

The increased funding in Oceanic and Atmospheric Research (OAR) of $7.7 million will be used to maintain on-going activities in several areas. The funds would maintain the global greenhouse gas measurements program and address scientific issues associated with the Clean Air Act Amendments of 1990 as well as increase the activities of the Regional Marine Research Program. The funds would reinstate advanced forecast development and refine remote sensing technologies for observing and predicting severe weather and precipitation conditions. They would fund full operation (24 hours/day, 7 days/week) of space weather data, forecasts, and warnings which are crucial to satellite operations, space exploration, international navigation, high altitude polar flights, high frequency radio communications, remote surveillance, and electric power distribution. Increased funding would also be provided for peer-reviewed research proposals to increase understanding and assessment of our Nation's marine resources through the Regional Marine Research Program.

Full funding for Program Support is requested to prevent delays of administrative services supporting all NOAA line offices such as procurement, personnel and grants administration.

Fleet Modernization, Shipbuilding, and Conversion

Modernization of the NOAA fleet began in FY 1992 and continues through FY 1994 with the performance of critical and routine maintenance; identification of detailed repair and construction requirements; preparation of design and technical specifications; and transfer of and testing of a nearly new, surplus Navy ship. NOAA requests a decrease of ($4,530,000) from the FY 1994 base. Funds appropriated in FY 1993, in addition to the FY 1994 request, will be sufficient to continue the fleet modernization program. Long term requirements for the fleet modernization program will continue to be assessed.

Major FY 1994 Programmatic Changes (Savings)

- NOAA is taking the across-the-board administrative and personnel savings totaling $25.6 million as part of the President's deficit reduction package.
- In order for NOAA to deliver more focused service, the FY 1994 budget includes program decreases totaling $66.9 million for programs inappropriate for the Federal government to undertake; benefit a small, specific group; are not NOAA's statutory responsibilities; lower priority activities; or are one-time construction projects.

These savings measures are contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package.

Our priorities evidence what NOAA can offer the Nation and how the agency can fulfill President Clinton's priorities for a sound economy and exemplary service. Given the correct resources, NOAA can be successful in all three priority areas and can be equipped to meet President Clinton's challenge for a more efficient, effective Government serving the people now and into the 21st century.

(dollars in thousands)

	1993 Appropriation		1994 Estimate		Increase/(Decrease)		Permanent Employment FY 1992
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	
Operations, Research, and Facilities	12,257	1,526,516	12,366	1,757,672	109	231,156	11,988
Construction	5	94,500	5	79,063	0	(15,437)	21
Fishing Vessel Obligations Guarantees	0	470	0	0	0	(470)	29
Fleet Modernization, Shipbuilding and Conversion	16	30,000	16	23,064	0	(6,936)	15
Fisheries Promotional Fund	0	0	0	0	0	0	1
Promote and Develop Fishery Products	7	0	0	0	(7)	0	7
Fishing Vessel and Gear Damage Compensation Fund	4	1,306	4	1,335	0	29	4
Fishermen's Contingency Fund	1	1,025	1	1,051	0	26	1
Foreign Fishing Observer Fund	5	565	5	564	0	(1)	3
Total	12,295	1,654,382	12,397	1,862,749	102	208,367	12,069

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Page No.		Positions	Authority	Budget FTE	Direct Obligations
	Amount available for FY 1993 as shown in 1994 President's Budget	12,257	1,605,247	11,809	1,689,261
	less(or plus): December 17, 1992 Proposed Transfers not implemented by P.L. 102-395		(2,500)		(2,500)
	Amount Currently Available, 1993	12,257	1,602,747	11,809	1,686,761
	less(or plus): transfers per P.L. 102-395 subsequently approved		(3,725)		(3,725)
	Appropriation, 1993	12,257	1,599,022	11,809	1,683,036
	less: Obligations from prior years	0	0	0	(72,214)
NOAA-17	plus: 1994 adjustments to base	(144)	(12,168)	(144)	(12,168)
	less: prior year recoveries	0	(2,000)	0	
	1994 Base	12,113	1,584,854	11,665	1,598,654
	1994 investment		228,214		228,214
	plus: 1994 program changes	253	7,504	239	7,504
	1994 estimate	12,366	1,820,572	11,904	1,834,372

	Comparison by activity/subactivity, with subtotals by activity:		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	National Ocean Service:											
NOAA-67	Mapping, Charting, and Geodesy	Pos./BA	595	51,949	460	49,243	451	50,368	420	48,140	(31)	(2,228)
		FTE/Obl.	572	49,629	443	53,366	434		403		(31)	
NOAA-87	Observation and Assessment	Pos./BA	541	63,080	418	66,631	411	50,555	411	49,890	0	(665)
		FTE/Obl.	522	53,755	403	75,903	396		396		0	
NOAA-121	Ocean and Coastal Management	Pos./BA	141	54,252	110	51,996	108	51,900	108	50,796	0	(1,104)
		FTE/Obl.	135	54,497	106	55,003	104		104		0	
	Subtotal, National Ocean Service:	Pos./BA	1,277	169,281	988	167,870	970	152,823	939	148,826	(31)	(3,997)
		FTE/Obl.	1,229	157,881	952	184,272	934		903		(31)	

Comparison by activity/subactivity, with subtotals by activity:		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) over 1994 Base Personnel	Increase/ (Decrease) over 1994 Base Amount
National Marine Fisheries Service:											
NOAA-137 Information Collection and Analyses	Pos./BA	1,489	130,757	1,489	124,266	1,461	124,932	1,461	128,880	0	3,948
	FTE/Obl.	1,434	125,077	1,435	131,632	1,407		1,407		0	
NOAA-165 Conservation and Management Operations	Pos./BA	574	73,478	569	70,264	559	70,343	559	71,650	0	1,307
	FTE/Obl.	552	69,333	549	74,409	539		539		0	
NOAA-203 State and Industry Assistance Programs	Pos./BA	224	25,225	224	28,496	220	23,458	220	23,513	0	55
	FTE/Obl.	216	23,781	216	30,540	212		212		0	
Subtotal, National Marine Fisheries Service:	Pos./BA	2,287	229,460	2,282	223,026	2,240	218,733	2,240	224,043	0	5,310
	FTE/Obl.	2,202	218,191	2,200	236,581	2,158		2,158		0	
Oceanic and Atmospheric Research:											
NOAA-223 Climate and Air Quality Research	Pos./BA	423	81,559	376	79,948	370	80,926	370	108,922	0	27,996
	FTE/Obl.	407	80,775	362	80,625	356		356		0	
NOAA-251 Atmospheric Programs	Pos./BA	349	43,935	393	41,531	385	42,332	385	42,103	0	(229)
	FTE/Obl.	336	43,691	378	41,775	370		370		0	
NOAA-271 Ocean and Great Lakes Programs	Pos./BA	213	89,295	221	80,693	217	80,826	217	63,072	0	(17,754)
	FTE/Obl.	205	86,620	213	85,267	209		209		0	
Subtotal, Oceanic and Atmospheric Research:	Pos./BA	985	214,789	990	202,172	972	204,084	972	214,097	0	10,013
	FTE/Obl.	948	211,086	953	207,667	935		935		0	

Comparison by activity/subactivity, with subtotals by activity:			1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	National Weather Service:											
NOAA-301	Operations and Research	Pos./BA	4,073	317,165	4,689	398,547	4,683	401,359	4,967	473,256	284	71,897
		FTE/Obl.	3,921	314,437	4,517	406,578	4,511		4,781		270	
NOAA-319	Systems Acquisition	Pos./BA	259	157,067	148	128,621	146	125,751	146	199,844	0	74,093
		FTE/Obl.	250	139,468	143	146,220	141		141		0	
	Subtotal, National Weather Service:	Pos./BA	4,332	474,232	4,837	527,168	4,829	527,110	5,113	673,100	284	145,990
		FTE/Obl.	4,171	453,905	4,660	552,798	4,652		4,922		270	
	National Environmental Satellite, Data, and Information Service:											
NOAA-331	Satellite Observing Systems	Pos./BA	539	325,961	664	319,532	652	317,123	652	395,129	0	78,006
		FTE/Obl.	519	323,482	640	324,847	628		628		0	
NOAA-361	Environmental Data Management Systems	Pos./BA	329	32,628	142	32,646	139	32,786	139	34,068	0	1,282
		FTE/Obl.	316	31,999	137	33,275	134		134		0	
	Subtotal, National Environmental Satellite, Data, and Information Service:	Pos./BA	868	358,589	806	352,178	791	349,909	791	429,197	0	79,288
		FTE/Obl.	835	355,481	777	358,122	762		762		0	

Comparison by activity/subactivity, with subtotals by activity:		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Program Support:											
NOAA-371 Administration and Services	Pos./BA	1,270	69,618	1,388	71,433	1,363	73,319	1,363	73,319	0	0
	FTE/Obl.	1,223	70,115	1,337	72,138	1,312		1,312		0	
NOAA-377 Facilities	Pos./BA	2	9,889	0	0	0	0	0	0	0	0
	FTE/Obl.	2	7,927	0	1,962	0		0		0	
NOAA-381 Marine Services	Pos./BA	883	63,506	869	61,200	853	63,181	853	62,295	0	(886)
	FTE/Obl.	850	62,635	837	61,460	821		821		0	
NOAA-391 Aircraft Services	Pos./BA	84	8,908	97	9,500	95	9,495	95	9,495	0	0
	FTE/Obl.	81	9,497	93	11,761	91		91		0	
Subtotal, Program Support:	Pos./BA	2,239	151,921	2,354	142,133	2,311	145,995	2,311	145,109	0	(886)
	FTE/Obl.	2,156	150,174	2,267	147,321	2,224		2,224		0	
Direct Obligations	Pos./Req.	11,988	1,598,272	12,257	1,614,547	12,113	1,598,654	12,366	1,834,372	253	235,718
	FTE/Obl.	11,541	1,546,718	11,809	1,686,761	11,665		11,904		239	

The first line for each entry represents permanent positions and budget authority; the second line reflects full-time equivalent employment and obligations. The second line contains data only when amounts are different from the permanent position and budget authority amounts.

Comparison by activity/subactivity, with subtotals by activity:		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) over 1994 Base Personnel	Increase/ (Decrease) over 1994 Base Amount
Adjustment to Obligations											
Recoveries			(1,757)		(11,800)				(13,800)		
Unobligated Balance, start of year.			(64,969)								
Unobligated Balance, end of year											
Budget Authority	Pos./BA	11,988	1,531,546	12,257	1,602,747			12,366	1,820,572		
	FTE/Obl.	11,541		11,809				11,904			
Financing from proposed transfers: From "Promote and develop fishery products and research pertaining to American fisheries"			(69,547)		(55,000)				(61,400)		
Fleet Modernization			0		(1,500)				0		
Construction			0		(2,225)				0		
Damage Assessment			0		(17,506)				(1,500)		
Appropriation (general fund)			1,461,999		1,526,516				1,757,672		

1993 currently available includes $5,100 emergency supplemental.

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) from 1994 Base
Total Obligations	1,893,648	2,055,842	1,989,039	2,224,757	235,718
Financing:					
Offsetting collections from:					
Federal funds	(278,405)	(332,128)	(353,650)	(353,650)	0
Trust funds	(35,389)	0	0	0	0
Non-Federal sources	(33,136)	(36,953)	(36,735)	(36,735)	0
Recoveries	(22,417)	(11,800)	(13,800)	(13,800)	0
Unobligated balance, start of year	(64,969)	(72,214)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	72,214	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	1,531,546	1,602,747	1,584,854	1,820,572	235,718
Financing from proposed transfers:					
From "Promote and Develop Fishery Products and Research Pertaining to American Fisheries"	(69,547)	(55,000)	(55,000)	(61,400)	(6,400)
From "Fleet Modernization"	0	(1,500)	0	0	0
From "Construction"	0	(2,225)	0	0	0
From "Damage Assessment and Restoration Revolving Fund"	0	(17,506)	(1,500)	(1,500)	0
Appropriation	1,461,999	1,526,516	1,528,354	1,757,672	229,318

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
OPERATIONS, RESEARCH AND FACILITIES
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Transfer DARF			1,500
Adjustment:			
Reverse 1993 DARF			(17,506)
Reverse emergency supplemental			(5,100)
FTE Reduction		(144)	(12,768)
Administrative expenses			(11,239)
OTHER CHANGES:			
Continuation of 1993 operating level			3,725
1993 Pay Raise			4,586
Premium Pay for Law Enforcement Officers			25
Other Pay Related Costs			169
Full year cost in 1994 of positions financed for part in 1993			1,016
Within grade step increases			8,287
Longevity for Commissioned Officers			423
Civil Service Retirement System (CSRS)			(985)
Federal Employees Retirement System (FERS)			1,840
Thrifts Savings Plan			281
Federal Insurance Contributions Act (FICA)—OASDI			1,348
Employees Compensation Fund			238
Health insurance			2,040
Retired Pay			373
Unemployment compensation			(3,560)

Department of Commerce
National Oceanic and Atmospheric Administration
OPERATIONS, RESEARCH AND FACILITIES
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Travel:			
Domestic Per diem			419
Rental payments to GSA			10,737
Rental Payments to others			278
Communication, utilities and miscellaneous charges			(5,108)
Printing and reproduction			364
Other srervices			3,353
Supplies and materials			1,730
Equipment			746
Grants			620
Subtotal, Other Changes	0	0	32,945
Total, Adjustment to Base	**0**	**(144)**	**(12,168)**

Exhibit 9

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OPERATIONS, RESEARCH AND FACILITIES
JUSTIFICATION OF ADJUSTMENTS TO BASE

(Dollar amounts in thousands)

	FTE	AMOUNT
Transfers		
From "Damage Assessment and Restoration Revolving Fund " $1,500,000 will be transferred as partial offset to Operations. Research, and Facilities account to conduct natural resource damage assessments and restorations.	0	1,500
Adjustments		
Reverse 1993 DARRF Transfer	0	(17,506)
Reverse Emergency Supplemental (PL 102-368)	0	(5,100)
FTE Reduction	(144)	(12,768)
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a reduction of 144 FTE's in 1994. This will result in a savings of $12,768,000.		
Administrative Expenses	0	(11,239)
Pursuant to the Executive Order on Deficit control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $11,239,000 in 1994 for administrative expenses.		

Other Changes:	FTE	AMOUNT
Continuation of 1993 Operating Level	0	3,725

In order to continue the 1993 operating level as approved by Congress, $3,725,000 is required.

	FTE	AMOUNT
Pay Raises	0	4,780

Full-year cost of 1993 pay increase and related costs

A pay raise of 3.7% was effective January 1, 1993.

Total cost in 1994 of 1993 pay increase	18,343,000
Less amount funded in 1993	(13,757,000)
Less amount absorbed in 1993	0
Amount requested in 1994 to provide full-year cost of 1993 pay increase	4,586,000
Payment to Working Capital Fund	0
Total, adjustment for 1993 pay increase	4,586,000

Premium Pay for Law Enforcement Officers

NMFS Law Enforcement officer premium pay (P.L. 101–173) has increased $25,000 due to increase in base salaries.

Variable Housing Allowance

Under provisions of 37 U.S.C. 403a, a NOAA Commissioned Officer entitled to basic allowance for quarters is entitled to a variable Housing allowance whenever assigned to duty in an area of the United States which is in a high cost area. FY 1991 actual costs were $168,736 higher than the FY 1992 base.

	FTE	AMOUNT
Full-year cost in 1994 of positions financed for part-year in 1993	0	1,016

An increase of $2,616,251 is required to fund the full-year cost in 1994 of positions financed for part-year in 1993. The computation follows:

	FTE	Amount
Annual salary of new positions in 1993	0	4,496,517
Less 5 percent lapse	0	(224,825)
Full-year cost of personnel compensation	0	4,271,692
Less personnel compensation in 1993	0	(3,497,166)
Cost of personnel compensation in 1994	0	774,526
Benefits		241,951
Total adjustment-to-base	0	1,016,477

	FTE	AMOUNT
Within-grade Step Increase	0	8,287

An increase of $8,286,792 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 1994.

Estimated number of within-grade step increases	8,579
Step increases not earned due to turnover (15.19%)	1,303
Average step above step 1 per separation	2
Average cost per within-grade step increase	1,220
Gross cost of scheduled step increases	10,466,380
Less savings due to separations	(3,179,320)
Subtotal, personnel compensation	7,287,060
Benefits	999,732
Total adjustment-to-base	8,286,792

	FTE	AMOUNT
Longevity Increase for Commissioned Officers	0	423

NOAA Commissioned Officers are granted longevity increases similar to civilian with-in grade step increases. Longevity increases are based on the officer's rank and total years of service. The effect of this increase is $423,000.

	FTE	AMOUNT
Civil Service Retirement System (CSRS)	0	(985)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 67.6% in 1993 to 64.3% in 1994 for regular and law enforcement employees. Contribution rates will remain the same.

Executive Level/SES/GM/GS:	
1994 $420,786,000 x .643 x .07	18,939,578
1993 $420,786,000 x .676 x .07	19,911,594
Subtotal	(972,016)

Law Enforcement:	
1994 $5,444,000 x .643 x .075	262,537
1993 $5,444,000 x .676 x .075	276,011
Subtotal	(13,474)

Total adjustment-to-base (985,490)

	FTE	AMOUNT
Federal Employees Retirement System (FERS)	0	1,840

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 32.4% in 1993 to 35.7% in 1994 for regular and law enforcement employees. Contribution rates will remain the same.

Executive Level/SES/GM/GS:	
1994 $420,786,000 x .357 x .129	19,378,458
1993 $420,786,000 x .324 x .129	17,587,172
Subtotal	1,791,286

Law Enforcement:	
1994 $5,444,000 x .357 x .273	530,578
1993 $5,444,000 x .324 x .273	481,533
Subtotal	49,045

Total adjustment-to-base 1,840,331

	FTE	AMOUNT
Thrift Savings Plan (TSP)	0	281

The increased cost of agency contributions to the Thrift Savings Plan will rise as FERS participation increases. The contribution rate is expected to remain 2%.

Retirement Payroll:	
1994 $426,230,000 x .357 x .02	3,043,282
1993 $426,230,000 x .324 x .02	2,761,970
Adjustment-to-base	281,312

	FTE	AMOUNT
Old Age, Survivors, and Disability Insurance (OASDI)	0	1,348

Employees covered by the Civil Service Retirement System (CSRS) are not covered by Old Age, Survivors and Disability Insurance (OASDI), but are covered by Medicare. All other employees are covered by both OASDI and Medicare. As the percentage of the payroll covered by FERS rises the cost of OASDI contribution will increase. The maximum salary subject to the Federal Insurance contributions Act (FICA) tax will rise from $57,300 in 1993 to $60,150 in 1994. The OASDI tax rate will remain at 6.2 percent in 1994 and the percent of payroll subject to FICA will increase from 95.85% in 1993 to 99.80% in 1994.

FERS payroll subject to FICA:	
1994 $426,230,000 x .357 x .9980 x .062	9,415,306
1993 $426,230,000 x .324 x .9585 x .062	8,206,781
Subtotal	1,208,525
Payroll not subject to retirement:	
1994 $57,136,000 x .998 x .062	3,535,347
1993 $57,136,000 x .9585 x .062	3,395,421
Subtotal	139,926
Total adjustment-to-base	1,348,451

	FTE	AMOUNT
Employees Compensation Fund	0	238

The Employee's Compensation Fund Bill for the year ending June 30, 1992, is $237,926 higher than the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor pursant to 5 U.S.C. 8147.

	FTE	AMOUNT
Health Insurance	0	2,040

Effective January 1992, NOAA's contribution to Federal employees' health insurance premiums increased by 8.36%. Applied against the 1993 estimate of $24,406,000, the additional amount required is $2,040,342.

	FTE	AMOUNT
Benefits for Former Personnel	0	(3,187)

Retired Pay/NOAA Corps Officers

Title 10, USC and the Military Retirement Reform Act of 1986 (P.L. 99-348) provide for cost of living adjustments. The FY 1992 Cost of Living Adjustment (COLA) for retired NOAA Corps officers and survivors, published by OMB in December 1991, was 3.7%. Adjustments of 3.0% for FY 1993 and 3.2% in FY 1994 will become effective based on current services index for automatic cost-of-living adjustments for military and civil service retirement.

FY 1991 Actual costs	$6,962,000
FY 1992 New Retirements	321,000
FY 1992 COLA @ 3.7%	269,000
FY 1992 Cost	7,552,000
FY 1993 New Retirements	321,000
FY 1993 COLA @ 3.0%	236,000
FY 1993 Cost	8,109,000
FY 1994 New Retirements	321,000
FY 1994 COLA @ 3.2%	270,000
FY 1994 Cost	8,700,000
Less 93 Base:	
1992 Actual	(6,080,000)
1993 ATB	(2,247,000)
	(8,327,000)
Total adjustment-to-base	373,000

	FTE	AMOUNT

Unemployment Compensation

NOAA requests a decrease of $3,560,000 for one time unpaid Department of Labor unemployment compensation bills received by the Department of Commerce and reallocated to NOAA for prior years. This ATB reverses out the ATB granted in FY 1993.

FY 1994 Requirements:	0
FY 1993 Adjustment to Base:	3,560,000
FY 1994 Adjustments to Base:	(3,560,000)

	FTE	AMOUNT
Travel and Transportation of persons	0	419

Per Diem

Based upon a survey of cities to which NOAA employees most frequently travel, the average rate of per diem increase was 5.39%. This percentage was applied to the FY 1993 estimate of $7,769,542 for an increase of $418,778.

Rental Payments to GSA

	FTE	AMOUNT
GSA rates are projected to increase by approximately 4.5% in FY 1994. Also included is the cost of shifting current space for the consolidation in Silver Spring.	0	10,737

FY 1993 Currently Available	52,326,000
Adjustment to Base	10,737,000
FY 1994 Base	63,063,000
FY 1994 Program Changes	(1,060,000)
FY 1994 Request	62,003,000
FY 1994 Reimbursables	3,634,000
Total funding required	65,637,000

	FTE	AMOUNT
Rental Payments to Others	0	278

Rental cost for NMFS laboratory in James Island, Charleston SC has increased by $3,000.

Services provided for the GFDL through the building lease/maintenance contract have increased $55,546.

Lease costs for the GLERL Lab in Ann Arbor have decreased $20,000.

An additional $194,000 is required to fund an increase for lease costs of office space and radio towers for operation of the Local Weather Radar System and for use of space at the Stennis Space Center by the National Data Buoy Center.

Rent charges from the National Institute of Standards and Technology (NIST) for the ERL Boulder site have increased by $44,934.

	FTE	AMOUNT
Communications, Utilities and Miscellaneous Charges	0	(5,108)

Electricity costs for NMFS laboratories have increased $19,600.

There will be an increase of $13,657 for utility services in Eastern, Central, and Western Regions of NWS.

$24,171 is needed to cover the cost of damage drainage to maintain ongoing services for WASC tenants in Seattle.

Combined telecommunications leased, telephone services for NOS, NMFS, NWS, and NESDIS have increased $81,000.

FTS 2000

A savings of $4,878,000 will be realized in 1994 for FTS 2000.

Washington Interagency Telecommunications System (WITS:)

NOAA requests a reduction of $369,000 based on savings from implemetation of the WITS system.

	FTE	AMOUNT
Printing and Reproduction	0	364

GPO Printing

GPO has provided an estimated rate increase of 3.7%. This percentage was applied to the 1993 estimate of $8,202,000 for an increase of $303,474.

	FTE	AMOUNT

Charts/Free to Depository Libraries (By Law)

There will be an increase of $60,890 to fund the cost of charts required by law to be provided to libraries.

	FTE	AMOUNT
Other Services	0	3,353

An increase of $28,000 is requested to fund increased contractual maintenance costs for repairs, refitting, alterations and maintenance of NOAA aircraft.

An increase of $473,000 is requested to fund increased contractual maintenance costs for drydocking, repairs, and maintenance of NOAA vessels.

An increase of $107,000 is requested to fund increased vendor charges for contractual research and development services at the National Meteorological Center and FSL 8a Contractors.

An increase of $60,519 is requested to fund increased contractual maintenance costs for equipment and instruments for NOS's Washington correlator service.

An increase of $11,625 is requested to fund increased contractual maintenance costs for equipment and instruments for operation of a Radio Telescope at Tasmania University.

An increase of $46,687 is requested to fund increased contractual maintenance costs for equipment and instruments for operation of the National Meteorological Center.

An increase of $3,520 is requested to fund increased contractual maintenance costs for equipment and instruments at the National Reconditioning Center for operation of the Local Weather Radar System.

An increase of $12,657 is requested for contractual maintenance costs for Satellite Operations Control in Suitland and Wallops Island.

An increase of $3,128 is requested to fund increases in on-site equipment maintenance in Boulder.

An increase of $34,370 is requested to fund increased training costs for PC & Systems Maintenance at the Solar Forecast Office.

An increase of $140,533 is requested to fund changes in costs of textbooks, fees, studies material and relating to training of NOAA personnel. This represents a 2.4% increase on the adjusted FY 1993 Congressional Estimate.

An increase of $14,458 is requested to fund increased costs of contractual Chemical hazards assessment.

An increase of $81,000 is requested to fund increased costs of contracts involved in the Mussel Watch Project.

FTE **AMOUNT**

An increase of $37,329 is requested to fund increased costs of contracts involved in the Benthic Surveillance Project.

An increase of $9,714 is requested to fund increased costs of producing aeronautical charts.

An increase of $4,677 is requested to fund increases in the Westford Antenna contract.

An increase of $12,197 is requested to fund increased costs of producing hydrogen masers.

An increase of $37,100 is requested to fund increases in the maintenance contract of the Newport Aquaculture Lab.

An increase of $7,876 is requested to fund increases in janitorial contracts of various NMFS sites.

An increase of $110,620 is requested to fund increased costs of the Marine Recreational Fishery Statistical Survey.

An increase of $7,441 is requested to fund increased costs in the VAX computer Contract for Woods Hole.

An increase of $4,184 is requested to fund increased Library Support Contract costs for Woods Hole.

An increase of $28,104 is requested to fund increased costs of the RDC Technical Support Contract.

An increase of $5,825 is requested to fund cost changes for maintaining the LAN at the GFDL at Princeton.

An increase of $238,000 is requested to fund contractual costs changes for the NIST Consolidated Scientific Computer System.

An increase of $126,000 is requested to fund cost changes for the NAPAP assesment.

An increase of $6,804 is requested to fund cost changes for maintaining the CRAY Computer at the GFDL at Princeton.

An increase of $7,993 is requested to fund cost changes for GLERL subscriptions.

An increase of $70,150 is requested to fund cost changes involving the NRC Post DOC Program.

An increase of $123,000 is requested to fund cost changes for computer contract support at the National Meteorological Center.

Costs for student lodging at the NWS Training Center have increased by $25,800.

Computer Support Contracts for Headquarters of the NWS have increased by $10,000.

An increase of $95,247 is requested to fund costs changes for contracts at the National Data Buoy Center.

	FTE	AMOUNT
An increase of $29,000 is requested to fund cost changes in janitorial contracts for the Local Weather Radar System.		
An increase of $13,000 is requested to fund increased contracts costs for TOVS Sounding Operations Software Services.		
An increase of $20,317 is requested to fund increased contracts costs for DMSP Sounding Operations Software Services.		
An increase of $86,000 is requested to fund cost changes of CEMSCS technical and software support services.		
Costs for Satellite Operations engineering and navigation support have increased by $121,000.		
Costs for NESDIS Environmental Data Management support have increased $82,906.		
An increase of $6,000 is requested to fund contract changes for support to on-site Boulder equipment.		
An increase of $794 is requested to fund cost chages in maintaining the Iosonde Station in Maui.		
Various Library support contracts have increased $63,777.		
Various maintenance and support contracts for the Administrative Service Centers have increased a total of $84,000.		
Various Marine Services maintenance and support contracts have increased a total of $41,000.		
An increase of $6,231 is requested to fund increased costs for contractual observation in operation of the Local Weather Radar System.		
Guard Services provided by other Federal Agencies for the Universal, Riverdales and Silver Spring Metro Buildings have increased $64,036.		
The costs of Personnel Investigations provided by OPM have increased $9,000.		
The cost of Telecommunications/Cable Support by the International Trade Administration has increased $4,000.		
ADP Maintenance and Service Agreements provided by other U.S. Government Agencies have increased $35,977.		
Technical Support provided by the U.S. Coast Guard has increased $121,955.		
Logistics support provided by NASA at Wallops Island and Fairbanks Alaska has increased by $65,000.		
A motion picture contract with DOD/Navy has increased by $14,991.		

FTE AMOUNT

Services provided by the Public Health Service for Medical Officers and a Public Health Care Contract have increased $398,320.

An increase of $179,724 is requested to fund increases in the costs of A-76 contract observers.

A decrease of $62,230 is requested to back-out one-time costs involving Telecommunications Service Priority Provisioning of the the National Weather Radio.

An increase of $43,719 is requested to fund increase in in contracts for maintaining the National Weather Radio System.

A decrease of $60,000 is requested for the Departmental Working Capital Fund due to a decrease in the redistribution of of the cost of Office of General Council operations.

Supplies and Materials 0 1,730

Central Study
An ATB of $1,459,000 is requested to fund changes in costs of goods acquired by contract or other form of purchases that are ordinarily consumed or expended within one year after they are put into use, that are converted in the process of construction or manufacture, or that are used to form a minor part of equipment or fixed property. This request represents the application of a GNP deflator of 2.4% to the FY 1993 estimate adjusted for any individually requested items.

An ATB of $224,000 is requested to fund increased costs of contracted upper air supplies including: radiosondes R/S batteries, balloons, pibla lighting units, and R/S and pibal parachutes used in weather observation.

The costs of supply and material purchases used in alteration, outfitting and maintenance of vessels have increased by $4,108.

The cost of scientific journal subscriptions has increased by $11,000.

The cost of Odisondes and digital interfaces has increased by $4,000.

Laboratory expendable supplies have increased by $15,000.

The mailing costs and journal subscriptions for Boulder and D.C. library facilities have increased by $13,000.

Equipment 0 746

The cost of Hydrographic Survey Field Acquisition Equipment has increased by $22,804.

The cost of replacement Capitalized Telecommunications Equipment has increased by $6,000.

FTE AMOUNT

An ATB of $717,371 is requested to fund increases in the costs in maintaining a revolving inventory of non-capitalized equipment used by NOAA for performance of its basic mission. The ATB is calculated by multiplying the GDP deflator of 2.4% against the FY 1993 estimate.

	FTE	AMOUNT
Grants, Subsidies and contributions	0	620

Salaries, direct and indirect costs and tuition associated with the NOAA/GFDL/Princeton University Grant have increased by $98,574.

Salaries, benefits, overheads and indirect costs for the Cooperative Institute for Research (CIRES) visiting member appointment (Task 1) and the Research associate portion of the CIRES grants (Task III) have increased by $192,000.

Salaries and benefits for the Joint Institute for the Study of the Atmosphere and Ocean have increased by $42,885.

Salaries and benefits for the cooperative effort (CIRA) between NOAA/OAR/Environmental Research Laboratories and the Colorado State University have increased by $22,000.

Salaries, benefits, overheads and indirect costs for the cooperative effort (CIMMS) between NOAA/OAR/Environmental Research Laboratories and the University of Oklahoma, have increased by $39,000.

Salaries and benefits for the cooperative effort (CIMAS) between NOAA/OAR/ERL/AOML and the University of Miami have increased by $33,367.

Costs to provide NESDIS with a collaborative research effort in the atmospheric Earth Sciences which exploit the use of satellite technology have increased by $29,936.

Combined one-time adjustments of $122,000 for the following: Washington Department of Games, Washington Department of Fisheries, Oregon Department of Fish & Wildlife and Idaho Department of Fish & Game. The aforementioned, state agencies have increase their salary costs because of cost of living salary adjustments.

Appropriation Languange and Code Citations:

1. For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration,

5 USC 3109
5 USC 5398
5 USC 5901
5 USC 5902
7 USC 1622
12 USC 1715m
15 USC 272
15 USC 313
15 USC 313a
15 USC 313nt
15 USC 325
15 USC 330b
15 USC 713c-3
15 USC 713c-3(b)
15 USC 1511
15 USC 1514
15 USC 1525
15 USC 2904
15 USC 2906
15 USC 2908
15 USC 4211
15 USC 4278
16 USC 661
16 USC 664
16 USC 665
16 USC 742c
16 USC 742d
16 USC 742f
16 USC 742g
16 USC 744
16 USC 745
16 USC 753a
16USC 755
16USC 756
16 USC 757a
16 USC 757b
16 USC 757d
16 USC 758a
16 USC 760a
16 USC 760d
16 USC 760e
16 USC 760f
16 USC 760g
16 USC 760h
16 USC 777
16 USC 778
16 USC 916j
16 USC 959
16 USC 971h
16 USC 1222
16 USC1371
16 USC 1377
16 USC 1380
16 USC 1381
16 USC 1384
16 USC 1431
16 USC 1433
16 USC 1436
16 USC 1437
16 USC 1440
16 USC 1444
16 USC 1447 et.seq
16 USC 1452
16 USC 1452(b)
16 USC 1454
16 USC 1455
16 USC 1455(a)
16 USC 1456
16 USC 1456(a)
16 USC 1457
16 USC 1461
16 USC 1464
16 USC 1533
16 USC 1534
16 USC 1535
16 USC 1811
16 USC 1822(a)(4)
16 USC 1852
16 USC 1852(h)
16 USC 1853
16 USC 1854(e)
16 USC 1855
16 USC 1861
16 USC 1882
16 USC 3633(c)
16 USC 3636
16 USC 3641
16 USC 4008
30 USC 1401
30 USC 1412
30 USC 1470
33 USC 760 et.seq.
33 USC 851-876
33 USC 883a
33 USC 883b
33 USC 883c
33 USC 883d
33 USC 883e
33 USC 883f
33 USC 883h
33 USC 883i
33 USC 1121
33 USC 1130 et.seq.
33 USC 1431
33 USC 1441
33 USC 1442
33 USC 1443
33 USC 1444
33 USC 1701
33 USC 1703
33 USC 1704
33 USC 1705
33 USC 1707
33 USC 1709
37 USC 101 et.seq.
42 USC 253
42 USC 1891
42 USC 7453
42 USC 8902
42 USC 8903
42 USC 8904
42 USC 8905(e)
43 USC 1347(e)
44 USC 1307
49 USC 1153
49 USC 1463

NOAA Authorization Act of 1992 P.L. 102-567

15 USC 325 - Authorization of Appropriations.

This section authorizes funds to be appropriated for NOAA operations and research.

Government Organizations and Employees

5 USC 3109 - Employment of experts and consultants; temporary or intermittent.

"When authorized by an appropriation or other statute, the head of an agency may procure by contract the temporary (not in excess of 1 year) or intermittent services of experts or consultants or an organization thereof, including stenographic reporting services."

5 USC 5348 - Crews of Vessels.

"...the pay of officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c)(8) of this title shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices in the maritime industry."

5 USC 5901 - Uniform allowances.

This section authorizes annual appropriations to each agency of the Government of the United States, an amount for uniforms, or allowances for uniforms for employees of the agency who are required by regulation or statute to wear a prescribed uniform in the performance of official duties and who are not being furnished with the uniform.

5 USC 5902 - Increase in maximum uniform allowance.

This section increases the amounts for uniform allowances provided for in 5 USC 5901.

Agriculture National Marine Fishing.

7 USC 1622 - Agricultural Marketing Act.

"The Secretary ... is directed and authorized: ...

(i) to determine the needs and develop or assist in the development of plans for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural (fish) products.

(h) to inspect, certify, and identify the class, quality, quantity and condition of agricultural (fish) products ...

(f) to conduct and cooperate in consumer education for the more effective utilization and greater consumption of agricultural products (fish)...

(g) to collect and disseminate marketing information... for the purpose of ... bringing about a balance between production and utilization of agricultural (fish) products.

(m) to conduct ... research ... to determine the most efficient ... processes for the handling, storing, preserving, protecting...of agricultural (fish) commodities ..."

Banks and Banking NOAA Corps

12 USC 1715m - Mortgage Insurance Payments.

This section authorizes payment of Federal Housing Administration (FHA) home mortgage insurance premiums to NOAA Corps Officers.

Commerce and Trade

15 USC 272 - Functions of Secretary and Institute.

"The Secretary of Commerce...is authorized to undertake all actions necessary and appropriate...including the following functions of the Institute [NIST]:

(b)(6) To determine, compile, evaluate and disseminate physical constants and the properties and performance of conventional and advanced materials when they are important to science, engineering, manufacturing, education, commerce and industry and are not available with sufficient accuracy elsewhere.

(c) In carrying out the functions enumerated..., the Secretary is authorized to

(11) perform research on electromagnetic waves, including optical waves and on properties and performances of electrical, electronic and electromagnetic devices and systems and their essential materials, develop and maintain related standards, and disseminate standard signals through broadcast and other means;

(17) compile, evaluate and publish and otherwise disseminate general, specific and technical data resulting from the performance of the functions specified herein or from other sources when such data are important to science, engineering, or industry or to the general public, and are not available elsewhere."

Weather Modification P.L. 99-272

15 USC 313 - Duties of Secretary of Commerce.

"The Secretary of Commerce...shall have charge of the forecasting of weather,...issue of storm warnings,...weather and flood signals,... gauging and reporting of rivers,...collection and transmission of marine intelligence.......reporting of temperature and rainfall conditions..., the display of frost and cold-wave signals, the distribution of meteorological information..., and the taking of such meteorological observations as may be necessary to establish and record the climatic conditions of the United States, or as are essential for the proper execution of the foregoing duties."

15 U.S.C. 313a - Duties of Secretary of Commerce.

"... The Secretary of Commerce shall ... take such actions as may be necessary in the development of an international basic meteorological reporting network in the Arctic region of the Western Hemisphere..."

15 USC 313nt - Study of Thunderstorms and Atmospheric Disturbances; Reports; Expenditures; Cooperation of Other Departments.

"...the Chief of the Weather Bureau is authorized and directed to study fully and thoroughly the internal structure of thunderstorms, hurricanes, cyclones, and other severe atmospheric disturbances,... with a view to establishing methods by which the characteristics of particular thunderstorms may be forecast and methods by which the characteristics of such storms may be determined on visual observation from outside of the immediate thunderstorm area."

15 USC 330b - Duties of Secretary - Records, maintenance, summaries, publication.

"(a) The Secretary shall maintain a record of weather modification activities, including attempts, which take place in the United States and shall publish summaries thereof from time to time as he determines."

Weather Modification P.L. 99-272

15 USC 713c-3 - Saltonstall - Kennedy Act.

This section provides for a national program to promote the free flow of domestically produced fishery products by conducting fishery educational, technological and biological related research and marketing pertaining to American fisheries.

15 USC 713c-3(b) - Saltonstall -Kennedy Act.

There shall be deposited in the fund moneys transferred to the fund under the Saltonstall Kennedy Act.

15 USC 1511(c) NOAA Estuarine Programs Office.

... The Estuarine Programs Office shall develop, coordinate, and implement the estuarine activities of the administration with the activities of other Federal and State agencies. There are authorized to be appropriated to the Administration not to exceed $560,000 for fiscal year 1989, and $600,000 for fiscal year 1990.

15 USC 1514 - Basic authority for performance of certain functions and activities of Department.

"Appropriations are authorized for the following activities of the Department of Commerce:

(a) furnishing to employees...and their dependents, in Alaska and other points outside the continental United States, free emergency medical services...and supplies;

(b) ...purchasing, transporting, storing, and distributing food and other subsistence supplies for resale to employees...and their dependents, in Alaska and other points outside the continental United States at a reasonable value...; the proceeds from such resales to be credited to the appropriation from which the expenditure was made;

(c) ...establishment, maintenance, and operation of messing facilities, by contract or otherwise, in Alaska and other points outside the continental United States..., such service to be furnished to employees...and their dependents,...

(d) reimbursement...of officers or employees in or under the Department...for food, clothing, medicines, and other supplies furnished by them in emergencies for the temporary relief of dislocated persons in remote localities;

(e) providing motion-picture equipment and film for recreation of crews of vessels..., for...employees in remote localities..., and for training purposes;

(f) erecting, altering, repairing, equipping, furnishing, and maintaining...such living quarters and facilities as may be necessary to carry out its authorized work at remote localities not on foreign soil where such living and working accommodations are not otherwise available."

15 USC 1525 - Joint Projects.

"In the case of nonprofit organizations, research organizations or public organizations or agencies, the secretary may engage in joint projects or perform services, on matters of mutual interest The cost of which shall be apportioned equitably when authorized to do under regulations approved by the OMB."

National Climate Program Act P.L. 100-685

15 USC 2904 - National climate program.

"The Secretary (of Commerce) shall establish within the Department of Commerce a National Climate program office...The office shall be the lead entity responsible for administering the Program. The program shall include, but not be limited to, the following elements:

(1) assessments of the effect of climate on the natural environment, agricultural production, energy supply and demand, land and water resources, transportation, human health and national security.

(2) basic and applied research to improve understanding of climate processes,...

(3) methods for improving climate forecasts...

(4) global data collection, and monitoring and analysis activities...

(5) systems for the management and...dissemination of climatological data, information and assessments...

(6) measures for increasing international cooperation in climate research, monitoring, analysis and data dissemination;

(7) mechanisms for intergovernmental climate-related studies and services...

(8) experimental climate forecast centers,...

(9) a preliminary 5-year plan,...a final 5-year plan to be submitted to the Congress...that shall be revised and extended at least once every four years."

15 USC 2906 - Annual report.

"The Secretary shall prepare and submit to the President and the authorizing committees of the Congress, not later than March 31 of each year, a report on the activities conducted pursuant to this Act during the preceding fiscal year..."

National Aeronautics and Space Administration Authorization Act 1989 P.L. 100-685

15 USC 2908 - Authorization for appropriations

"...there are authorized to be appropriated to the Secretary,...not to exceed $51,000,000 for the fiscal year ending September 30, 1989, of which amount not less than $3,238,000 shall be made directly available to the National Climate Program Office. " Authorizing legislation is proposed to extend in FY 1989.

15 USC 4211 - Land Remote-Sensing Commercialization Act of 1984

"The Secretary shall be responsible for (1) the Landsat system, including the orbit, operations, and disposition of Landsat 1,2,3,4, and 5, and (2) provision of data to foreign ground stations under the terms of agreement between the United States Government and nations that operate such ground stations which are in force on the date of commencement of the contract awarded pursuant to this subchapter." The word "Secretary" refers to the Secretary of Commerce.

15 USC 4278 - Authorization of Appropriations.

"There are authorized to be appropriated to the Secretary $383,000,000 for fiscal year 1989

Conservation

16 USC 661 - Declaration of purpose; cooperation of agencies; surveys and investigations; donations.

"...the Secretary of Interior is authorized (1) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto, and in carrying out other measures necessary to effectuate the purposes of said sections; (2) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States; and (3) to accept donations of land and contributions of funds in furtherance of the purposes of said sections."

16 USC 664 - Administration; rules and regulations; availability of lands to State agencies.

"Such areas as are made available to the Secretary...shall be administered by him directly or in accordance with cooperative agreements entered into pursuant to the provisions of section 661 of this title and in accordance with such rules and regulations for the conservation, maintenance, and management of wildlife,..., as may be adopted by the Secretary...: Provided, That such rules and regulations shall not be inconsistent with the laws for the protection of fish and game of the States in which such area is situated:....."

16 USC 665 - Investigations as to effect of sewage, industrial wastes; reports.

"The Secretary..., is authorized to make such investigations as he deems necessary to determine the effects of domestic sewage, mine, petroleum, and industrial wastes, erosion silt, and other polluting substances on wildlife, and to make reports to the Congress concerning such investigations and of recommendations for alleviating dangerous and undesirable effects of such pollution. These investigations shall include (1) the determination of standards of water quality for the maintenance of wildlife; (2) the study of methods of abating and preventing pollution...; and (3) the collation and distribution of data on the progress and results of such investigations for the use of Federal, State, municipal, and private agencies, individuals, organizations, or enterprises."

Lacey Act Amendments P.L. 100-653

16 USC 742c(c) Any Funds received in the Fisheries Loan Fund after September 30, 1986, shall be covered into the Treasury as miscellaneous receipts.

16 USC 742d - Investigations; preparation and dissemination of information; reports.

"The Secretary shall conduct...investigations, prepare and disseminate information, and make periodic reports to the public, to the President, and to Congress, with respect to the following matters:

(1) the production and flow to market of fish and fishery products...;

(2) the availability...of the biological requirements of the fish and wildlife resources;

(3) the competitive economic position of the various fish and fishery products,...;

(4) the collection and dissemination of statistics on commercial and sport fishing;

(6) the improvement of production and marketing practices...;

(7) any other matters which in the judgment of the Secretary are of public interest in connection with any phases of fish and wildlife operations."

16 USC 742f - Policies, procedures, and recommendations.

"(a) The Secretary..., shall consider and determine the policies and procedures that are necessary and desirable in carrying out...the laws relating to fish and wildlife. The Secretary,..., shall -

(1) develop and recommend measures which are appropriate to assure the maximum sustainable production of fish and fishery products...;

(2) study the economic condition of the industry, and...make such recommendations to the President and the Congress as he deems appropriate to aid in stabilizing the domestic fisheries;

(3) develop and recommend special promotional and informational activities with a view to stimulating the consumption of fishery products whenever he determines that there is a prospective or actual surplus of such products;

(4) take such steps as may be required for the development, advancement, management, conservation, and protection of fish and wildlife resources; including but not limited to research, development of existing facilities, and acquisition by purchase or exchange of land and water, or interests therein

"(c)(1)...The Secretary of Commerce may...recruit, train, and accept...services of individuals without compensation as volunteers for, or in aid of programs conducted by...the National Oceanic and Atmospheric Administration.

(2)...The Secretary of Commerce...is...authorized to provide for incidental expenses such as transportation, uniforms, lodging, and subsistence of such volunteers."

16 USC 742g - International Affairs.

"The Secretary shall cooperate...with the Secretary of State in providing representation at all meetings ... relating to fish and wildlife in which ... the United States and foreign countries participate."

16 USC 741 Investigations, fish propagation, annual statement of expenditures, investigations of damages by predacious fishes; executive assistance

"The Secretary ... shall prosecute investigations and inquiries ... with the view of ascertaining whether any and what diminution in the number of the food fishes of the coast and lakes of the United States has taken place, ...what causes the same.......whether any and what protective, prohibitory, or precautionary measures should be adopted ..., and he shall report upon the same to Congress. He is authorized...to conduct investigations ... for the purpose of ameliorating the damage wrought... by dogfish and other predacious fishes and aquatic animals."

16 USC 745 Powers of Secretary

"The Secretary ... may take or cause to be taken at all times ... in the waters of the seacoast of the United States, ... such fish or specimens thereof as may in his judgment, from time to time, be needful or proper for the conduct of his duties, any law, custom, or usage of any State to the contrary notwithstanding."

16 USC 753a Cooperative research and training programs for fish and wildlife resources.

"For the purpose of developing adequate, coordinated, cooperative research and training programs..., the Secretary ... is authorized...to enter into cooperative agreements with colleges and universities, with game and fish departments of the several States, and with nonprofit organizations relating to cooperative research units."

16 USC 755 Salmon cultural stations, establishment, expenditure of funds.

"The Secretary ... is authorized and directed to establish one or more salmon cultural stations in the Columbia River Basin in each of the States of Oregon, Washington, and Idaho."

16 USC 756 Investigations, surveys, and experiments, construction and installation of conservation devices, etc

"The Secretary ... is further authorized and directed (1) to conduct such investigations ...as may be necessary ... of the fishery resources of the Columbia River and its tributaries, (2) to construct and install devices ... for the improvement of feeding and spawning conditions..., for the protection of migratory fish from irrigation projects, ...facilitating free migration of fish...and (3) to perform all other activities necessary for the conservation of fish in the Columbia River ... Basin in accordance with law."

Anadromous Fish Conservation Act Authorization P.L. 101-162

16 USC 757a - Anadromous and Great Lakes fisheries.
(a) Conservation, development, and enhancement; cooperative agreements with States and other non-Federal interests; terms and conditions;

Federal and non-Federal costs.

"For the purpose of conserving, developing, and enhancing within the several States the anadromous fishery resources of the Nation... the Secretary...is authorized to enter into cooperative agreements with one or more States, acting jointly or severally, that are concerned with the development, conservation, and enhancement of such fish, and, whenever he deems it appropriate, with other non-Federal interests."

16 USC 757b - Anadromous and Great Lakes Fisheries; investigations, surveys, and research; stream clearance activities; conservation devices and structures; fish hatcheries; studies, recommendations, and reports to States, Congress, and Federal water resources construction agencies; water resources projects; property: acquisition, exchanges, cash equalization payments, donations, administration, and title.

"The Secretary, in accordance with any agreements entered into pursuant to section 757a(a) of this title, is authorized (1) to conduct such investigations,engineering and biological surveys, and research as may be desirable to carry out the program; (2) to carry out stream clearance activities; (3) to construct, install, maintain, and operate devices and structures for the improvement of feeding and spawning conditions....(4) to construct, operate, and maintain fish hatcheries wherever necessary to accomplish the purposes of sections 757a to 757f of this title."

16 USC 757d - Anadromous and Great Lakes fisheries

This section authorizes funds for conservation, development and enhancement of anadromous fishery resources of the nation: $7,702,500 for fiscal year 1987, $7,920,000 for fiscal year 1988, $8,152,500 for fiscal year 1989, $8,000,000 for fiscal years 1990 through 1995.

16 USC 758a - Exploration, investigation, development, and maintenance of fishing resources and industry of Pacific Ocean; conduct of explorations and related work.

"The Secretary..., is authorized and directed to conduct such fishing explorations and such necessary related work as oceanographical, biological, technological, statistical, and economic studies to insure maximum development and utilization of the high seas fishery resources of the United States and its island possessions in the tropical and subtropical Pacific Ocean..."

16 USC 760a - Atlantic Coast fish study for development and protection of fish resources.

"The Secretary...is directed to undertake a comprehensive and continuing study of species of fish of the Atlantic Coast, including bays, sounds, and tributaries, for the purpose of recommending... measures for the development and protection of such resources and their wisest utilization..."

16 USC 760d - Grants for education and training of personnel in the field of commercial fishing; apportionment; authorization of appropriations; regulations.

"(a) The Secretary...is authorized to make grants, out of funds appropriated for the purposes of this section, to public and non-profit private universities and colleges in the several States and Territories of the United States for such purposes as may be necessary to promote the education and training of professionally trained personnel (including scientists, technicians, and teachers) needed in the field of commercial fishing."

Atlantic Striped Bass Conservation Act P.L. 100-589

16 USC 760e - Study of migratory game fish; waters; research; purpose.

"The Secretary...is directed to undertake a comprehensive continuing study of the migratory marine fish of interest to recreational fishermen...The study shall include...research on migrations, identity of stocks, growth rates,. .for the purpose of developing wise conservation policies and constructive management activities."

16 USC 760f - Authorization to acquire facilities, employ officers and employees, cooperate with State and other agencies, and to publish results.

"...the Secretary is authorized (1) to acquire lands, construct ...buildings,...acquire equipment...employ...officers and employees... (2)...contract with State and other institutions... (3) make public the results of...research pursuant to section 760e..."

16 USC 760g - Authorization of appropriations.

"There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of sections 760e to 760g for fiscal years 1988 through 1991." Legislation limits appropriations to $2,700,000 in any fiscal year.

16 USC 777 - Cooperation between Federal government and State fish and game departments; conditions on expenditure of funds.

"The Secretary...is authorized and directed to cooperate with the States through their respective State fish and game departments in fish restoration and management projects as hereinafter set forth:..."

16 USC 778 - Establishment of experiment stations; purpose of research.

"The Secretary...is authorized and directed to establish an experiment station or stations for the purpose of carrying on a program of research and experimentation-

(1) to determine species of fish most suitable for culture on a commercial basis in shallow reservoirs and flooded rice lands;

(2) to determine methods for production of fingerling fishes for stocking in commercial reservoirs;

(3) to develop methods for the control of parasites and diseases of brood fishes and of fingerlings prior to stocking;

(4) to develop economical methods for raising the more desirable species of fishes to a marketable size;

(5) to determine, in cooperation with the Department of Agriculture, the effects of fish-rice rotations, including crops other than rice commonly grown on rice farms, upon both the fish and other crops; and

(6) to develop suitable methods for harvesting the fish crop and preparing it for marketing, including a study of sport fishing as a means of such harvest."

Marine Mammal Protection Act P.L. 99-659 Amendment

16 USC 916j - Administration of enforcement provisions.

"(a) The Secretary...is authorized and directed to administer and enforce all of the provisions of this chapter and regulations issued pursuant thereto and all of the provisions of the convention and of the regulations of the Commission, except to the extent otherwise provided for in this chapter, in the convention, or in the regulations of the Commission." (in re: Chapter 14 - Regulation of Whaling)

The word "convention" refers to the International Convention for the Regulation of Whaling. The word "Commission" refers to the International Whaling Commission.

16 USC 959 - Enforcement of chapter.

(b) Federal law enforcement agents.

"Enforcement of the provisions of this chapter and the regulations issued pursuant thereto shall be the joint responsibility of the United States Coast Guard, the United States Department of Commerce, and the United States Customs Service." (in re: Chapter 16 - Tuna Conventions)

16 USC 971h - Atlantic Tunas Convention Act of 1975

This section authorizes funds, not more than $2,000,000 for each of the fiscal years 1989 through 1993, for a program for the conservation of the Atlantic tunas in support of recommendations made by the International Commission for the Conservation of Atlantic Tunas.

16 USC 1027 - Enforcement; boarding and inspecting of vessels; detention of persons and vessels; enforcement officers as witnesses.

"(a) The provisions of the Convention and this chapter relating to abstention from fishing in certain areas by the nationals and vessels of one or more of the contracting parties shall be enforced by the Coast Guard in cooperation with the Fish and Wildlife Service and the Bureau of Customs." (in re: Chapter 19 - North Pacific Fisheries)

The word "Convention" refers to the International Convention for the High Seas Fisheries of the North Pacific Ocean. The functions referred to were transferred from the Fish and Wildlife Service to NOAA by Reorganization Plan No. 4 of 1970

16 USC 1222 - General study and inventory of estuaries and their natural resources.

(a) Estuaries included; considerations; other applicable studies.

"The Secretary of Commerce,.... shall conduct directly or by contract a study and inventory of the Nation's estuaries, including without limitation coastal marshlands, bays, sounds, seaward areas, lagoons, and land and waters of the Great Lakes. For the purpose of this study, the Secretary shall consider, among other matters, (1) their wildlife and recreational potential, their ecology, their value to the marine, anadromous, and shellfisheries and their esthetic value, (2) their importance to navigation, their value for flood, hurricane, and erosion control, their mineral value, and the value of submerged lands underlying the waters of the estuaries, and (3) the value of such areas for more intensive development for economic use as part of urban developments and for commercial and industrial developments."

16 USC 1371 Marine Mammal Protection Act of 1988 P.L. 100-711.

"The Secretary ... is authorized and directed ... to waive the requirements of this section so as to allow the taking or importing of any marine mammal product ... "

16 USC 1377 - Enforcement.

(a) Utilization of personnel.

"Except as otherwise provided in this subchapter, the Secretary shall enforce the provisions of this subchapter. The Secretary may utilize, by agreement, the personnel, services, and facilities of any other Federal agency for purposes of enforcing this subchapter." (in re: Chapter 31 - Marine Mammal Protection)

16 USC 1380 - Marine mammal research grants.

"(a) The Secretary is authorized to make grants, or to provide financial assistance in such other form as he deems appropriate, to any Federal or State agency, public or private institution, or other person for the purpose of assisting such agency, institution, or person to undertake research in subjects which are relevant to the protection and conservation of marine mammals, and shall provide financial assistance for, research into new methods of locating and catching yellowfin tuna without the incidental taking of marine mammals

16 USC 1381 - Commercial fisheries gear development.

(a) Research and development program.

"The Secretary of the department in which the National Oceanic and Atmospheric Administration is operating is hereby authorized and directed to immediately undertake a program of research and development for the purpose of devising improved fishing methods and gear so as to reduce to the maximum extent practicable the incidental taking of marine mammals in connection with commercial fishing."

16 USC 1384 - Authorization of appropriations - P.L. 100-711

"(a) There are authorized to be appropriated. .$12,250,000 for fiscal year 1989, $12,740,000 for fiscal year 1990, $13,250,000 for fiscal year 1991, $13,780,000 for fiscal year 1992, $14,331,000 for fiscal year 1993.

Coastal Zone Management Act of 1972, as amended.

16 USC 1452 - Declaration of Policy

"The Congress finds and declares that it is the national policy (1) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone..."

16 USC 1456b - Coastal Zone Enhancement Grants

"(b)...the Secretary may make grants to coastal states to provide funding for development and submission ... of program changes that support attainment of one or more coastal zone enhancement objectives."

16 USC 1454 - Management Program Development Grants

"...the Secretary may make a grant...to any coastal state without an approved program if the coastal state demonstrates...that the grant will be used to develop a management program consistent with the requirement set forth in [16 USC 1455].

16 USC 1455 - Administrative Grants

"The Secretary may make grants to any coastal state for the purpose of administering that state's management program, if the state matches any such grant..."

16 USC 1455A - Resource Management Improvement Grants

"(b) The Secretary may make grants to any eligible coastal state to assist that state in meeting one or more of the following objectives: (1) The preservation or restoration of specific areas of the state...(2) The redevelopment of ... urban waterfronts and ports...(3) The provision of access of public beaches and...coastal areas...

16 USC 1456 - Coastal Zone Management Fund

"(a)(2) Loan repayments...shall be deposited into the Coastal Zone Management Fund..."
"(b)(1) The Secretary shall establish and maintain a fund...which shall consist of amounts retained and deposited into Fund..."

"(b)(2) ...amounts in the Fund shall be available...for the following:

(A) Expenses incident to the administration of this title, in an amount not to exceed-- (iii) $5,460,125 for fiscal year 1993;

(B) After use under (A) - (i) projects to address management issues which are regional in scope... (ii) demonstration projects ... (iii) emergency grants ... (iv) ... awards recognizing excellence in coastal zone management ... (v) program development grants as authorized by section 305; and (vi) ... financial support to coastal States for ... investigating and applying the public trust doctrine..."

16 USC 1457 - Technical Assistance

"(a) The Secretary shall conduct a program of technical assistance and management-oriented research necessary to support the development and implementation of State coastal management program(s)...

16 USC 1461 - National Estuarine Research Reserve System

"(a) There is established the National Estuarine Reserve Research System..."

"(b)...the Secretary may designate an estuarine area as a national estuarine reserve if ... the area is a representative estuarine ecosystem that is suitable for long-term research and contributes to the biogeographical and topological balance of the System..."

"(e) Financial Assistance. (1) The Secretary may ... make grants (A) to a coastal State (i) for ...acquiring ... lands and waters ..., (ii) for . . operating or managing a national estuarine reserve and constructing appropriate reserve facilities, or (iii) for purposes of conducting educational or interpretive activities... (B) ... for purposes of supporting research and monitoring within a ... reserve..."

16 USC 1464 - Authorization of Appropriations

"(a) There are authorized to be appropriated to the Secretary -

(2) ... not to exceed $67,930,000 for fiscal year 1994 ... for grants under sections 306, 306A, and 309...

(3) ... not to exceed $6,847,000 for fiscal year 1994 ... for grants under section 315.

(4) ... not to exceed $10,000,000 for fiscal year ending September 1995 for activities under section 310 and for administrative expenses incident to the administration of this title; except that expenditures for such administration shall not exceed $5,000,000.. "

P.L. 101-508, Section 6217 - Protecting Coastal Waters

"(a) In General - ... each State for which a management programs has been approved ... shall ... submit to the Secretary ... a Coastal Nonpoint Pollution Control Program..."

"(f) Financial Assistance - ... The Secretary ... may provide grants to the State for use for developing a State program under this section."

"(h) Authorizations of Appropriations - (1) Administrator. - ... for carrying out this section not more than $1,000,000 for fiscal year 1993...

(2) Secretary. - (A) Of amounts appropriated ... under section 318(a)4) ... not more than $1,000,000 shall be available ... for carrying out this section ... other than for providing ... grants... (B) ... for ... grants under subsection (f) not more than ... $12,000,000 for fiscal year 1994 ..."

Marine Protection, Research, and Sanctuaries Act of 1972, as amended

Title II - Comprehensive Research on Ocean Dumping

33 USC 1441 "... the Administrator shall ... initiate a ... program of monitoring and research regarding the effects of the dumping of material into ocean waters or other coastal waters..."

33 USC 1442 "(a)(1) The Secretary ... shall ... initiate a ... program with respect to the possible long range effects of pollution, overfishing, and man-induced changes of ocean ecosystems. ... These responsibilities shall include the ... assessment of damages to the natural resources from spills of petroleum..."

33 USC 1443 "(a) The Administrator ... shall assess the feasibility in coastal areas of regional management plans for the disposal of waste materials."

Title III - National Marine Sanctuaries

16 USC 1431 - Findings, Purposes and Policies

"(b) The purposes and policies of this title are ... (1) to identify areas of the marine environment of special national significance; ..(2) to provide authority for ... conservation and management of these marine areas; ... (3) to support, promote, and coordinate scientific research on ... the resources of these marine areas; (4) to enhance public awareness, understanding, appreciation, and wise use of the marine environment; and (5) to facilitate ... public and private uses of ... these marine areas..."

16 USC 1433 - Sanctuary Designation Standards

"(a) The Secretary may designate any descrete area of the marine environment as a national marine sanctuary..."

16 USC 1436 - Research and Education

"The Secretary shall conduct research and educational programs ... to carry out the purposes and policies of this title."

16 USC 1437 - Enforcement

"(a) The Secretary shall conduct such enforcement activities as are necessary and reasonable to carry out this title."

16 USC 1440 Promotion and Coordination of Research

"The Secretary shall take such actions as are necessary to promote and coordinate the use of national marine sanctuaries for research purposes..."

16 USC 1444 Authorization of Appropriations

[There is no fiscal year 1993 authorization at this time.]

Title IV—Regional Marine Research Programs

16 USC 1447 et seq. Purpose and Authorization

"The purpose of this title is to-- (1) set priorities for regional marine and coastal research... (2) carry out such research through grants and improved coordination."

"For purposes of carrying out the provisions of this title, there are authorized to be appropriated $18,000,000 for each of the fiscal years 1992 through 1996."

National Ocean Pollution Planning Act of 1978, as amended

33 USC 1701 Findings and Purposes

"(b) It is... the purpose of the Congress in this Act (1) to establish a comprehensive 5 year plan for Federal ocean pollution research, development, and monitoring program... (2) to develop the necessary base of information to support, and to provide for, the rational, efficient, and equitable utilization, conservation, and development of ocean and coastal resources, and (3) to provide for the effective coordination of research conducted to support the preservation and protection of the environmental quality of the Great Lakes, the Chesapeake Bay, Puget Sound, and other estuaries of national significance, and (4) to designate NOAA as the lead Federal agency for preparing the [above] plan..."

33 USC 1703A National Ocean Pollution Program Office and National Ocean Pollution Policy Board

"(a)(1) The Under Secretary shall establish... the National Ocean Pollution Program Office. (2) The Office shall serve as the lead entity responsible for administering the program established under [33 USC 1703]. (b)(1) The Under Secretary... shall establish a National Ocean Pollution Policy Board... (2) The Board shall be responsible for coordinated planning and progress review for the program established under [33 USC 1703]"

33 USC 1703 - Comprehensive Federal Plan Relating to Ocean Pollution

"(a) The Under Secretary … shall prepare…a comprehensive 5-year plan for the overall Federal effort in ocean pollution research and development and monitoring."

33 USC 1704 - Comprehensive Ocean Pollution Program

"(a) The Under Secretary shall establish … a comprehensive, coordinated, and effective ocean pollution research and development and monitoring program."

33 USC 1705 - Financial Assistance

"(a) The Under Secretary may provide financial assistance in the form of grants or contracts for research and development and monitoring projects or activities which are needed to meet priorities set forth in the Plan…"

33 USC 1709 - Authorization of Appropriations

[No FY 1993 authorization at this time]

Deep Seabed Hard Mineral Resources Act

30 USC 1401 - Findings and Purposes

"(b) The Congress declares that the purposes of this Act are … (3) to establish … an interim program to regulate the exploration for and commercial recovery of hard mineral resources of the deep seabed by United States citizens; (4) to accelerate the program of environmental assessment of exploration for and commercial recovery of hard mineral resources of the deep seabed and assure that such exploration and recovery activities are conducted in a manner which will encourage the conservation of such resources, protect the quality of the environment, and promote the safety of life and property at sea…"

30 USC 1412 - Licenses for exploration and permits for commercial recovery

"… the Administrator shall issue to applicants … licenses for exploration and permits for commercial recovery."

30 USC 1470 - Authorization of Appropriations

"There are authorized to be appropriated ... for purposes of carrying out the provisions of ... this title ... $1,525,000 for ... fiscal year 1994."

Magnuson Fishery Conservation and Management Act.

16 USC 1811 - Exclusive Economic Zone P.L. 99-659.

The United States claims and will exercise..., sovereign rights and exclusive fishery management authority over all fish, and all Continental Shelf fishery resources, within the exclusive economic zone... all anadromous species throughout the migratory range of each species beyond the exclusive economic zone... all continental shelf fishery resources beyond the exclusive economic zone.

16 USC 1822(a)(4) - Negotiations.

"The Secretary of State shall, upon the request of and in cooperation with the Secretary, initiate and conduct negotiations for the purpose of entering into international fishery agreements..."

16 USC 1852 - Regional fishery management councils:

"There shall be established.....eight Regional Fishery Management Councils...."

16 USC 1852(h).

"Each Council shall.... (1) prepare ... a fishery management plan with respect to each fishery within its geographical area ...; (2) prepare comments on any application for foreign fishing ...; and (3) conduct public hearings ..." and are fairly represented as voting members of the council.

16 USC 1853 - Contents of fishery management plans.

"Any fishery management plan which is prepared by any Council, or by the Secretary, with respect to any fishery, shall - ... (2) contain a description of the fishery,..., any recreational interests in the fishery..., (3) assess and specify the present and probable future condition of..., (4) assess and specify - ..., (5) specify the pertinent data..."

16 USC 1854(e) - Fisheries research.

"The Secretary shall initiate and maintain a comprehensive program of fishery research to carry out and further the purposes, policy, and provisions of this Act. Such program shall be designed to acquire knowledge and information, including statistics, on fishery conservation and management,..."

16 USC 1855 - Staff and administration.

"The Secretary shall provide to each Council such administrative and technical support services as are necessary for the effective functioning of such Council."

16 USC 1861 - Enforcement.

"(a) The provisions of this Act shall be enforced by the Secretary and the Secretary of the department in which the Coast Guard is operating."

"(b) Any officer who is authorized...to enforce the provisions of this Act may...(A) arrest any person, if he has reason to believe that such person has committed an act prohibited...; (B) board, and search or inspect, any fishing vessel which is subject to the provisions of this Act; (C) seize any fishing vessel...used or employed in, the violation of any provisions of this Act; (D) seize any fish.. taken or retained in violation of any provisions of this Act; and (E) seize any other evidence related to any violation..."

16 USC 1882 - Authorization of Appropriations P.L. 99-659.

"There are authorized to be appropriated to the Secretary, for purposes of carrying out the provisions of this Act, not to exceed the following sums: ...$77,200,000 for fiscal year 1990; $94,000,000 for fiscal year 1991; $6,500,000 shall be used for enforcement and $5,000,000 to increase research and assessment efforts; for fiscal year 1992 $98,000,000; and $102,000,000 for fiscal year 1993." This authorization applies to 16 USC 1811-1861.

16 USC 3633(c) - Authority and Responsibility.

"...the Secretary shall prepare, as appropriate, all statements, reports, and information required by the Treaty. ."

16 USC 3636 - Rulemaking.

"(a) the Secretary,... shall promulgate such regulations as may be necessary to carry out the United States international obligations under the Treaty..."

"(b) the Secretary,... may promulgate regulations applicable to nationals or vessels of the United States..." The word "Treaty" refers to the "Pacific Salmon Treaty Act of 1985"

16 USC 3641 - Authorization of Appropriations.

"There are authorized to be appropriated from time to time such sums as may be necessary for carrying out the purposes and provisions of the Treaty..."

Fish and Seafood Promotion Act of 1986 P.L. 99-659

16 USC 4008 - Establishment of Fisheries Promotional Fund.

There is established in the Treasury of the United States a Fisheries Promotional Fund. The Fund shall be available to the extent provided for in appropriation acts.

There are transferred from the fund to the Fisheries Promotion Fund $750,000 in fiscal year 1987, $3,000,000 in each of the fiscal years 1988 and 1989, and $2,000,000 in fiscal years 1990 and 1991.

Navigation and Navigable Waters

33 USC 706 - Department of Commerce, current information; appropriation.

"There is authorized an expenditure as required...., for the establishment, operation, and maintenance by the Department of Commerce of a network of recording and non-recording precipitation stations, known as the Hydroclimatic Network, whenever...such service is advisable..."

33 USC 851-876 - NOAA Corps

These statutory provisions authorize the numerous functions inherent in and necessary for the maintenance of the commissioned officer corps of the National Oceanic and Atmospheric Administration. Included in these provisions are authorities pertaining to the authorized numbers in the respective permanent ranks; appointment and promotion of officers; retirement and separation of officers, cooperation with the transfer of officers to military departments; servicemen's and veterans' benefits; and rights, privileges, immunities and benefits of members of the commissioned corps. 33 USC also incorporates provisions under Title 10.

Coast and Geodetic Survey

33 USC 883a - Surveys and other activities.

"...the Secretary...is authorized to conduct the following activities:
(1) Hydrographic and topographic surveys;
(2) Tide and current observations;
(3) Geodetic-control surveys;
(4) Field surveys for aeronautical charts;
(5) Geomagnetic, seismological, gravity, and related geophysical measurements and investigations."

33 USC 883b - Dissemination of data; further activities.

"...the Secretary is authorized to conduct the following activities:
(1) Analysis and prediction of tide and current data;
(2) Processing and publication of data...;
(3) Compilation and printing of aeronautical charts...;
(4) Compilation and printing of nautical charts...;
(5) Distribution of aeronautical charts...;
(6) Distribution of nautical charts..."

33 USC 883c - Geomagnetic data; collection; correlation, and dissemination.

"To provide for the orderly collection of geomagnetic data...the Secretary is authorized to collect, correlate, and disseminate such data."

33 USC 883d - Improvement of methods, instruments, and equipments; investigations and research.

"...the Secretary is authorized to conduct developmental work for the improvement of surveying and cartographic methods, instruments, and equipments; and to conduct investigations and research in geophysical sciences..."

33 USC 883e - Cooperative Agreements for Mapping and Charting Surveys.

"The Secretary of Commerce is authorized to establish the terms of any cooperative agreement entered into ... including the amount of funds to be received ... which the Secretary determines represents the amount of benefits derived ... from the cooperative agreement."

33 USC 883f - Contracts with qualified organizations.

"The Secretary is authorized to contract with qualified organizations for the performance of any part of the authorized functions of the Coast and Geodetic Survey..."

33 USC 883h - Employment of public vessels.

"The President is authorized to cause to be employed such of the public vessels as he deems it expedient to employ, and to give such instructions for regulating their conduct as he deems proper in order to carry out the provisions of sections 883a to 883i of this title."

33 USC 883i - Authorization of Appropriations.

"There are authorized to be appropriated such funds as may be necessary to acquire, construct, maintain, and operate ships, stations, equipment, and facilities and for such other expenditures, including personal services at the seat of government and elsewhere and including the erection of temporary observatory buildings and lease of sites therefore as may be necessary..."

33 USC 1121 - National Sea Grant College Program Act.

"The Sea Grant Act authorizes the awarding of grants and contracts to initiate and support programs at Sea Grant colleges and other institutions for research, education, and advisory services in any field related to the conservation and development of marine resources."

The authorization for appropriation expires at the end of FY 1995.

33 USC 1130 Marine Affairs and Resource Management improvement Grants.

The Under Secretary may make grants and enter into contracts to carry out the strategic research program. A grant or contract may cover up to 100 percent of the cost of the research. Within 1 year after the effective date of the Marine Science Technology, and Policy Development Act of 1987, and every 3 years after that date, the Under Secretary shall develop and publish in the Federal Register, a Sea Grant Strategic research plan for the next 3 years.

33 USC 1131 Authorization of Appropriations.

There is authorized to be appropriated not to exceed $41,500,000 for fiscal year 1988, not to exceed $50,500,000 for fiscal year 1989, not to exceed $51,000,000, for fiscal year 1990.

Marine Protection, Research and Sanctuaries Act Amendments P.L. 99-272

33 USC 1441 - Monitoring and research program; reports to Congress.

"The Secretary of Commerce, in coordination with the Secretary of the Department in which the Coast Guard is operating and with the Administrator shall, initiate a comprehensive and continuing program of monitoring and research regarding the effects of the dumping of material into ocean waters or other coastal waters where the tide ebbs and flows or into the Great Lakes or their connecting waters.

33 USC 1442 - Research program respecting possible long range effects of pollution, overfishing, and man-induced changes of ocean ecosystems.

(a) Secretary of Commerce

"The Secretary . . . shall, . . . initiate a comprehensive and continuing program of research with respect to the possible long-range effects of pollution, overfishing, and man-induced changes of ocean ecosystems."

33 USC 1443 - Cooperation with public authorities, agencies, and institutions, private agencies and institutions, and individuals.

"The Secretary . shall conduct and encourage, cooperate with, and render financial and other assistance to appropriate public . . authorities, agencies, and institutions, private agencies and institutions, and individuals in the conduct of, and to promote the coordination of, research, investigations, experiments, training, demonstrations, surveys, and studies for the purpose of determining means of minimizing or ending all dumping of material within five years of the effective date of this Act."

33 USC 1444 - Authorization of appropriations.

"There are authorized to be appropriated . not to exceed $11,114,000 for fiscal year 1989

National Ocean Pollution Planning Act of 1978 P.L. 100-636

33 USC 1701 - National Ocean Pollution Program Office and National Ocean Pollution Policy Board

It further amends 1701 to establish the National Ocean Pollution Policy Board

33 USC 1703 - Comprehensive Federal Plan Relating to Ocean Pollution

"The Under Secretary . shall establish within the administration the National Ocean Pollution Program Office. The Office shall make general research on marine ecosystems including the Great Lakes. The Chesapeake Bay, Puget Sound, and other Estuaries of National significance.

33 USC 1704 - Comprehensive Ocean Pollution Program in the Administration

"The Under Secretary shall establish within the Administration a comprehensive, coordinated and effective ocean pollution research and development and monitoring program

33 USC 1705 - Grants and contracts.

"The Under Secretary may provide financial assistance...of grants or contracts for research and development and monitoring projects or activities...to meet priorities set forth in the Plan..."

33 USC 1707 - Dissemination of Information.

Amended by adding: "The Under Secretary shall ensure that the findings and information regarding ocean pollution research activities associated with the Great Lakes ... be disseminated in a timely manner and in useful forms to ... the Federal Government, State governments, and other persons with an interest ..."

33 USC 1709 - Authorization of Appropriations.

"There are authorized to be appropriated to the Under Secretary for the purposes of carrying out this Act not to exceed $3,750,000 for the fiscal year 1989 not to exceed $4,000,000 for fiscal year 1990.

Pay and Allowances for Members of Uniformed Services

37 USC 101 et seq. - Pay and Allowances for Members of the Uniformed Services.

Authorizes pay and allowances for members of the NOAA Commissioned Officers Corps.

42 USC 253 - Medical Services for Coast Guard, NOAA, and Public Health Service

This section authorizes health care for NOAA Corps Officers and Wage marine employees.

Weather Bureau

42 USC 1463 -- Meteorological Activities

The Director of the National Weather Service..."shall ...make observations, measurements, investigations and studies of atmospheric phenomena, and establish such meteorological offices and stations, as are necessary...furnish such reports, forecasts, warnings...and such reports shall be made in such manner and with such frequency as will best result in safety in and in facilitating air navigation...cooperate with persons engaged in air commerce...establish and coordinate the international exchanges of meteorological information required for safety and efficiency of air navigation...participate in the development of an international basic meteorological reporting network...promote and develop meteorological science and foster and support research projects in meteorology through the utilization of private and governmental research facilities..."

Public Health and Welfare

42 USC 1891 - Authorization to make grants.

"The head of each agency of the Federal Government, authorized to enter into contracts for basic scientific research at nonprofit institutions of higher education, or at nonprofit organizations whose primary purpose is the conduct of scientific research, is authorized, where it is deemed to be in furtherance of the objectives of the agency, to make grants…for the support of such…research."

42 USC 7453 - The Clean Air Act.

"(f) (2) Members of the Coordinating Committee shall include the appropriate official responsible for the relevant research efforts of …
(A) The National Oceanic and Atmospheric Administration …
(f) (3) The Coordinating Committee shall review and comment on plans for, and the execution and results of, pertinent research and studies…"

42 USC 7454 - The Clean Air Act.

"(a) The Administrator of the National Oceanic and Atmospheric Administration shall establish a continuing program of research and monitoring of the stratosphere for the purposes of early detection of changes in the stratospheric and climatic effects of such changes…"

42 USC 8902 - Interagency Task Force; Comprehensive Program.

"(a) There is hereby established a comprehensive ten-year program to carry out the provisions of this subtitle; and to implement this program there shall be formed an Acid Precipitation Task Force (hereafter in this subtitle referred to as the "Task Force"), of which the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the Administrator of the National Oceanic and Atmospheric Administration shall be joint chairmen."

"(c) The Administrator of the National Oceanic and Atmospheric Administration shall serve as the director of the research program established by this subtitle."

42 USC 8903 - Comprehensive Research Plan.

"(a) The Task Force shall prepare a comprehensive research plan for the ten-year program (hereafter in this subtitle referred to as the "comprehensive plan"), setting forth a coordinated program (1) to identify the causes and effects of acid precipitation and (2) to identify actions to limit or ameliorate the harmful effects of acid precipitation."

"(c) The comprehensive plan--

(1) shall be submitted in draft form to the Congress, and for public review, within six months after the date of the enactment of this Act;

(2) shall be available for public comment for a period of sixty days after its submission in draft form under paragraph (1);

(3) shall be submitted in final form, incorporating such needed revisions as arise from comments received during the review period, to the President and the Congress within forty-five days after the close of the period allowed for comments on the draft comprehensive plan under paragraph (2); and

(4) shall constitute the basis on which requests for authorizations and appropriations are to be made for the nine fiscal years following the fiscal year in which the comprehensive plan is submitted in final form under paragraph (3)."

42 USC 8904 - Implementation of the Comprehensive Plan.

"(a) The comprehensive plan shall be carried out during the nine fiscal years following the fiscal year in which the comprehensive plan is submitted in its final form under section 704(c)(3); and . "

42 USC 8905(e) - Authorization of Appropriations.

"(a) For the purpose of establishing the Task Force and developing the comprehensive plan under section 704 there is authorized to be appropriated to the National Oceanic and Atmospheric Administration for fiscal year 1981 the sum of $5,000,000, to remain available until expended.

(b) Authorizations of appropriations for the nine fiscal years following the fiscal year in which the comprehensive plan is submitted in final form under section 704(c)(3), for purposes of carrying out the comprehensive ten-year program established by section 703(a) and implementing the comprehensive plan under sections 704 and 705, shall be provided on an annual basis in authorization Acts hereafter enacted; but the total sum of dollars authorized for such purposes for such nine fiscal years shall not exceed $45,000,000 except as may be specifically provided by reference to this paragraph in the authorization Acts involved."

Public Lands

43 USC 1347(e) - Safety Regulations.

"The Secretary... shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety and improvement of diver performance. Such studies shall include, but need not be limited to, decompression and excursion table development and improvement and all aspects of diver physiological restraints and protective gear for exposure to hostile environments."

Public Printing and Documents

44 USC 1307 - Sale and Distribution of NOAA Nautical and Aeronautical Products.

"All nautical and aeronautical products created or published .. shall be sold at ... prices ... the Secretary of Commerce shall establish annually ... so as to recover all costs attributable to data base management, compilation, printing, and distribution of such products."

Transportation

49 App USC 1153 - Training of foreign nationals in aeronautical and related subjects.

"Subject to the concurrence of the Secretary of State, the Secretary of Transportation, and the Secretary of Commerce, within their respective fields, are authorized within or outside the United States to train foreign nationals directly, or in conjunction with any other United States Government agency, or through any United States public or private agency . . or through any international organization, in aeronautical and related subjects essential to the orderly and safe operation of civil aircraft."

Weather Bureau

49 USC 1463 - Director of the National Weather Service

"shall make observations, measurements, investigations and studies of atmosphere phenomena, and establish such meteorological offices and stations, as are necessary ... furnish reports, forecasts, warnings ... cooperate with persons engaged in air Commerce .. establish and coordinate the international exchanges of meteorological information ... and promote and develop meteorological science and foster and support research projects through the utilization of private and governmental research facilities..."

Exhibit 31

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES
APPROPRIATION SUMMARY STATEMENT

Appropriation Summary Statement

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including acquisition, maintenance, operation, and hire of aircraft, not to exceed 439 commissioned officers on the active list, as authorized by 31 U.S.C. 1343 and 1344; construction of facilities, including initial equipment as authorized by 33 U.S.C. 883i; grants, contracts, or other payments to non-profit organizations for the purposes of conducting activities pursuant to cooperative agreements, and alteration, modernization, and relocation of facilities as authorized by 33 U.S.C. 883i; [$1,521,416,000] $1,529,258,000 to remain available until expended [, of which $37,000,000 is available to initiate the procurement of two additional NOAA Advanced Tiros-N polar-orbiting weather satellites form the current contractor, and of which $288,000 shall be available only for a contract with the National Research Council to conduct an assessment of the status of Columbia River endangered salmon stocks, and of which $576,000 shall be available for operational expenses and cooperative agreements at the Fish Farming Experimental Laboratory at Stuttgart, Arkansas]; and in addition, [$55,000,000] $61,400,000 shall be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries" Provided, That grants to States pursuant to section 306 and 306(a) of the Coastal Zone Management Act, as amended, shall not exceed $2,000,000 and shall not be less than $500,000[Provided further, That in applying the provisions of section 606 of this Act to the programs, projects, and activities of the National Oceanic and Atmospheric Administration, the notification requirements of section 606 shall apply to the proposed reprogramming of funds in excess of $250,000 or 5 per centum, whichever is less, for each program, project, or activity"] (5 U.S.C. 5348, 7 U.S.C. 1622, 12 U.S.C. 1715m; 15 U.S.C. 272,313, 313a, 313b, 313nt, 330b, 325, 330e,1511d, 1514, 1517, 1537, 1538, 1539, 1540, 2904, 2905, 2906, 2908, 4211, 4278; 16 U.S.C. 661 et seq., 1361, 1431, 1433, 1436, 1437, 1440, 1441, 1442, 1444, 4701, 5001 et seq., 30 U.S.C. 1412, 1419, 1424, 1428, 1469, 1470, 33 U.S.C. 706 et seq. 1121, 1251, 1441, 1442, 1443, 1444, 1703, 1704, 1705, 1709, 2706, 2801 et seq., 37 U.S.C. 101 et seq., 42 U.S.C. 1891, 7453, 7454, 8902, 8903, 8904, 8905; 43 U.S.C. 1347e; 44 U.S.C. 1307; 49 U.S.C. 1153; Department of Commerce Appropriations Act, 1993.)

In addition to amounts otherwise available under this head, and subject to the same terms and conditions, **$228,414,000 to remain available until** expended.

Exhibit 32

Justification of Proposed Language Changes

1. After the words "and hire of aircraft;" insert "not to exceed"

2. After the words "and alteration, modernization, and relocation of facilities as authorized by 33 U.S.C. 883i;" insert "$1,529,258,000 to remain available until expended."

Delete the following material:

(1) "of which $37,000,000 is available to initiate the procurement of two additional NOAA Advanced Tiros-N polar-orbiting weather satellites,"

No funding is proposed for FY 1994, the deleted material is no longer required.

(2) "of which $288,000 shall be available only for a contract with the National Research Council to conduct an assessment of the status of Columbia River endangered salmon stocks,"

No funding is proposed for FY 1994, the deleted material is no longer required.

(3) " and of which $576,000 shall be available for operation expenses and cooperative agreements at the Fish Farming Experimental Laboratory, Stuttgart, Arkansas"

No funding for the facility is proposed for FY 1994, the deleted material is no longer required.

Include the following material:

(1) "In addition to amounts otherwise available under this head, and subject to the same terms and conditions, $288,414,000, to remain available until expended."

(2) The investment request is contingent upon enactment of an omnibus budget reconciliation act that contains the President's deficit reduction package.

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Ocean Service
Subactivity: Mapping, Charting and Geodesy

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Mapping and Charting	Pos./BA	367	$33,417	284	$31,265	278	$32,238	247	$29,738	(31)	($2,500)
	FTE/Obl.	353	30,658	274	33,527	268		237		(31)	
Geodesy	Pos./BA	228	18,532	176	17,978	173	18,130	173	18,402	0	272
	FTE/Obl.	219	18,971	169	19,839	166		166		0	
Total	Pos./BA	595	51,949	460	49,243	451	50,368	420	48,140	(31)	(2,228)
	FTE/Obl.	572	49,629	443	53,366	434		403		(31)	

The first line for each entry represents permanent positions and budget authority; the second line reflects full-time equivalent employment and obligations. The second line contains data only when amounts are different from the permanent position and budget authority amounts.

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Ocean Service**
Subactivity: **Mapping Charting, and Geodesy**

Goal Statement

To provide accurate and timely marine, coastal, and aeronautical data in various map and chart formats; to increase the efficiency and safety of marine and air transportation, for purposes of offshore engineering, coastal zone management, military operations and recreational activities.

To maintain the National Geodetic Reference Systems needed for accurate geographic positions, elevations, and gravity values and their variation with time for national defense and space activities, mapping and charting, infrastructure maintenance, public works, land information systems, and Earth science investigations.

To relate the Geodetic Reference Systems to the International Terrestrial Reference Frame (ITRF) and to advance the science of geodesy and geophysics through the development and application of advanced methods of measurement, data reduction, and analysis.

Proposed Legislation

Legislation is being proposed which would authorize NOAA to receive funds from the Harbor Maintenance Trust Fund for nautical charting and other activities related to commercial navigation. This legislation is necessary to enable access to funds intended for NOAA from the ad valorem cargo tax. Because NOAA has been unable to draw from the Fund, excess balances have been accruing for several years.

Base Program

The **Mapping and Charting Line Item** consists of three programs: Aeronautical Charting, Nautical Charting, and Coastal Mapping.

The objectives of the Aeronautical Charting Program are as follows:

o Plan and direct the construction, maintenance, reproduction, and distribution of aeronautical charts, products, and digital data files of the United states and its territories and possessions to meet the requirements of civilian and military aviation;

- Plan and direct aeronautical flight edit missions; and,

- Design, develop, and evaluate improved aeronautical data acquisition, processing, cartographic, and dissemination systems.

The Aeronautical Charting Program is carried out by the Aeronautical Charting Division (ACD) of the Coast and Geodetic Survey (C&GS). Approximately 15,320 aeronautical charts are produced annually for use by air flights in the National Airspace System. Maintenance of charts and data files is a continuous process that is required to support regularly scheduled update cycles. ACD also reproduces and distributes all of NOAA's nautical charts. ACD products are divided into three principal categories: (1) 134 "visual charts" provide information and instructions to pilots flying under Visual Flight Rules (VFR) and are revised every 6-12 months; (2) more than 8,000 "instrument charts" and related publications provide information and instruction to pilots flying under Instrument Flight Rules (IFR) and are revised every 56 days; and (3) "special products and services" provide Air Traffic Controller Charts, Obstruction Charts, Radar Video Maps, Digital Bright Radar Indicator Tower Equipment (DBRITE) Maps, Terminal Doppler Weather Radar Maps, Airport Facility Directories, Digital Aeronautical Chart Supplements, Obstruction Files, and digital data. ACD will continue to advance air navigation safety by producing, certifying, and supplying all aeronautical data for Federal Aviation Administration's (FAA) Advanced Automation System.

The program maintains the Aeronautical Chart Data Base which includes all data and information required to appear on aeronautical charts. Data comes from the Federal Aviation Administration (FAA), other Federal agencies, and NOAA flight edit missions. ACD prepares chart negatives and printing plates, prints and warehouses charts, and distributes charts to individual users (primarily through sales agents) and to Federal agencies. Cartographic operations have been automated by a system that contains a central host computer interfaced with graphic workstations and special digitizing subsystems. Research is carried out on next generation cartographic systems that will continue to increase productivity and improve product quality

Aeronautical charts are essential for the operation of the National Airspace System and Air Traffic Control Centers, for military users for National defense, for private planes, corporate aircraft, commercial air carriers, and avionic equipment manufacturers.

The objectives of the Nautical Charting Program are as follows:

- Plan and direct hydrographic and special investigation surveys;

- Process these data and access information affecting marine and air transportation, and create new and update existing nautical charts, bathymetric maps and other nautical products for marine navigation, ocean operation, National defense, and marine resources planning and management;

- Maintain the marine data base, and design, develop, and evaluate improved marine data acquisition, processing, and cartographic systems.

The Nautical Charting Program is carried out by the Nautical Charting Division (NCD) of C&GS. NCD plans hydrographic surveys that provide the basic data for the production of nautical charts. These surveys and special investigations of wrecks and obstructions are conducted by NOAA ships and C&GS field parties. NCD has procured modern Hydrographic Data Acquisition and Processing Systems for installation on NOAA ships and C&GS field parties and is implementing Differential GPS navigation for C&GS surveys These efforts are resulting in significant productivity improvements. Survey priorities are determined using the automated Survey Request File System. NCD directs surveys which employ multibeam equipment for high priority areas to produce high resolution bathymetric maps Data from both Government and private sources are used to update nautical charts. Approximately 50,000 of these source documents are evaluated annually and qualified data, plus the hydrographic survey data, are incorporated into the Nautical Chart System Data Base.

NCD products are divided into five principal categories: (1) a suite of over 980 different "nautical charts". These analog products are precise navigational tools which locate and define shoreline, water depth, surface and subsurface obstructions and hazards, coastal features, landmarks, aids to navigation, bottom conditions, channels, and other critical navigational data Over 300 new editions are produced each year, (2) "Coast Pilot" volumes which contain supplemental navigational information that cannot be shown graphically on the nautical chart; (3) over 500 'bathymetric maps" of coastal waters and the U S. continental shelf; (4) "Notice to Mariners" publications in cooperation with the Defense Mapping Agency and the Coast Guard. These notices are issued in textual, chartlet, or tabular form and provide critical navigational data to users between new editions of a chart, and (5) "digital data" in response to special requests from other Federal agencies and electronic chart manufacturers in the private sector The Nautical Charting Research and Development Laboratory (NCRDL) is developing the next generation automated nautical charting system (ANCS II) Implementation of ANCS II will begin in FY 1994. NCRDL also designs, develops, and evaluates improved data acquisition, processing, cartographic, and dissemination systems These systems include multi-beam and side scan sonar, differential GPS navigation, airborne laser and multi-spectral sensor technologies, expert systems, and participation in the cooperative Federal and private-sponsored Electronic Chart Testbed Project

Nautical charts and related marine navigational publications are the basic tools for marine navigation, ocean operations, and marine resources planning and management A significant portion of chart production goes to the Department of Defense and other Government agencies to support their activities Merchant ships, offshore platforms, work boats, commercial fishing vessels and dredges operating in U.S. ports, coastal and most inland waters of the country require charts to operate safely and efficiently.

In accordance with 44 USC 1307 and NOAA financial procedures, the prices of the various nautical and aeronautical charts are recomputed annually. The general objective in pricing these products is to recover both direct and indirect production costs. Specifically excluded by statute are the costs of acquiring hydrographic and photogrammetric source data.

The objectives of the Coastal Mapping Program are as follows:

- Plan and conduct aerial photographic missions to map the coastal zone and conduct surveys to locate obstructions at the Nation's major airports;

- Perform analyses of survey data to position landmarks and navigational aids needed for the compilation and revision of nautical charts, marine boundary maps, special coastal zone maps, and airport obstruction charts;
- Maintain the photogrammetric data base; and,
- Design and develop new photogrammetric techniques.

The Coastal Mapping Program is carried out by the Photogrammetry Branch of NCD. Detailed project instructions are prepared for NOAA's aerial photographic missions that map the coastal zone and conduct surveys of obstructions at the Nation's major airports. C&GS ground field parties provide the control needed for these aerial photographic missions. Photogrammetric analyses of these survey data are used to (1) position landmarks and navigation aids which are needed in the compilation and revision of nautical charts; (2) establish control for inshore hydrographic surveys; (3) map the high and low water shoreline for depiction on nautical charts and marine boundary maps; (4) locate obstructions and position air navigation aids needed for the construction of airport obstruction charts, and (5) respond to requests from other NOAA components and other Government agencies needs. The Nautical Charting Research and Development Laboratory carries out research in new photogrammetric techniques.

The Integrated Digital Photogrammetric Facility (IDPF)--which uses analytical stereo plotters, computer graphics, and modern data base technologies--is replacing manual methods and providing digital cartographic source data that are needed to support the Nautical and Aeronautical Charting Programs. Research is also conducted on improved aerial camera systems and applying multispectral imagery to NOS shoreline mapping. Cost saving techniques for positioning an aircraft carrying out aerial photography by kinematic Global Positioning System (GPS) methods are becoming operational.

Products of the Coastal Mapping Program are essential to NOAA's nautical and aeronautical charting programs. Over the years the program's photogrammetric techniques have been applied to other environmental problems dealing with the coastal zone. For example, the program has produced boundary maps for government agencies and legal authorities for use in the adjudication of marine boundary disputes among Federal, state, and private litigants. Storm evacuation maps have been used by government and disaster relief agencies for planning emergency evacuation of affected inhabitants from coastal areas subject to flooding by severe storms and hurricanes. Coastal zone managers, planners, scientists, and regulatory agencies use the coastal zone maps prepared by NOS to assess marshlands, marine sanctuaries and other coastal areas subject to multiple use.

Measures of Performance	1992 Actual	1993 Estimate	1994 Estimate
Number of nautical charts updated	320	280	280
Number of aeronautical charts updated	10,919	13,280	12,383
Number of special aeronautical charts updated	2.465	2.800	2,944
Number of shoreline mapping projects in digital format	8	8	8
Number of airport obstruction surveys	140	128	128

The number of revised nautical charts is part of the total suite of NOAA nautical charts which numbers over 980. This means that on the average each chart is updated every 2 1/2 years (charts for busy ports are updated every 6 months while the update cycle for remote locations may be every 12 years). Conversion to metric units is National policy. The number of aeronautical charts maintained and the number of airport obstruction surveys is controlled by FAA requirements and is therefore subject to change at any time. The number of aeronautical charts and maps used in the National Airspace System is 12,149. The instrument charts are produced in accordance with International Civil Aviation Organization (ICAO) standards which result in updating and printing cycles of 56 days. The visual charts are generally updated and printed every 6 months. Shoreline mapping projects represent the application of new, highly efficient, technologies to data acquisition and processing.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Mapping and Charting	Pos.\BA	278	$32,238	247	$29,738	(31)	($2,500)
	FTE\Obl.	268		237		(31)	

Program Decrease. Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

A decrease of 31 positions and $2,500,000 will result from the contracting out of NOS's current in-house chart printing operation. NOS will save a substantial amount in rental costs since the current operation is located in expensive downtown office space.

Exhibit 14

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE PERSONNEL DETAIL

Activity:	National Ocean Service
Subactivity:	Mapping, Charting, and Geodesy
Program Change:	Mapping and Charting

Title:	Grade	Number	Annual Salary	Total Salaries
VARIOUS		(31)	($1,121,000)	($1,121,000)
Total		(31)		(1,121,000)
Less Lapse		(0)		0
Total Full-Time Permanent		(31)		(1,121,000)
1994 Pay Adjustment				0
Total				($1,121,000)
Personnel Data				
Full-Time Equivalent Employment				
Full-time permanent		(31)		
Other than full-time permanent		0		
Total		(31)		
Authorized Positions :				
Full-time permanent		(31)		
Other than full-time permanent		0		
Total		(31)		

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity — National Ocean Service
Subactivity — Mapping, Charting, and Geodesy
Program Change — Mapping and Charting

		FY 1994 Decrease
11	Personnel compensation	
11.1	Full time permanent	(1,121)
11.3	Other than full time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	(1,121)
12.1	Civilian personnel benefits	(287)
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	(1,092)
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**(2,500)**

The objectives of the Geodesy Line Item are as follows:

- Incorporate new horizontal data from NOAA and non-NOAA surveys into the redefined North American Datum of 1983 (NAD 83) and complete the horizontal network in deficient and unsurveyed areas;
- Provide support to the States in the development of high precision geodetic networks;
- Incorporate Federal surveys referenced to the National Geodetic Vertical Datum (NGVD 29) into the North American Vertical Datum of 1988 (NAVD 88) and complete the vertical network in deficient and unsurveyed areas;
- Carry out advanced geodetic science activities, including high accuracy, high resolution geoid determination and crustal motion studies in support of time-dependent modeling of control stations within the National Geodetic Reference System;
- Transfer geodetic technology to Federal, State, and local governments and the private sector;
- Process GPS satellite data from global tracking stations for issuance of GPS orbital positions to civilian users,
- Apply Very Long Baseline Interferometry (VLBI) and GPS observations to determine variations in the rotation of the Earth;
- Participate in international VLBI and GPS observing programs and analyze the observations to define the International Terrestrial Reference Frame (ITRF); and,
- Analyze satellite altimetry data to derive marine gravity fields and tectonic motions of the ocean floor.

The **Geodesy Program** is carried out by the National Geodetic Survey Division (NGS) and the Geosciences Laboratory of the Office of Ocean and Earth Sciences. NGS conducts and processes data from positioning surveys to determine precise latitude and longitude and enters this information into the NGS Integrated Data Base. This includes surveys using GPS technology. This technology is being employed to respond to growing State needs for highly accurate geodetic reference networks and Geographic Information Systems. New NAD 83 coordinates and descriptions continue to be published and distributed. NGS also conducts releveling surveys to correct vertical (elevation) network deficiencies in unsurveyed areas and processes new surveys that update the NGRS. NAVD 88 height listings are being distributed to users.

The use of GPS in vertical measurements is being studied to reduce the cost of vertical control surveys. Crustal motion surveys are carried out for earthquake and subsidence prone areas, fault zones, emergency fuel storage sites, and locations for geothermal energy development. This task depends on other geodetic projects (NAD 83, NAVD 88) and is carried out using conventional leveling techniques and GPS measurements. Computation of precise orbits for GPS satellites and distribution to civilian users continue to be important activities.

The State Geodetic Advisory Program is in operation for 26 States. Other technology transfer programs are continuing through regional geodetic coordination and calibration baseline services. The transfer of GPS technology to State and local governments, universities, and the private sector continues.

Geodetic information is required by Federal, State, and local mapping and charting agencies, for property surveys, municipal planning, highway and street construction, local and suburban transit, earthquake and subsidence investigations, highway planning, National defense, water, gas, oil, and sewage conveyance systems, oil and gas field explorations, river and canal maintenance, communication systems, and all boundary determinations.

The Geosciences Lab (GL) applies advanced methods of measurement (e.g. VLBI, GPS, absolute gravity and satellite altimetry) to the observation and analysis of global, continental and regional scale geodetic and geophysical problems. GL researchers collect and analyze measurements of geophysical phenomena such as variations in the rotation of the earth, global patterns of glacial rebound, tectonic motions of the lithospheric plates, and sudden displacements of the crust associated with major earthquakes, ocean and atmospheric loading, tidal displacements, and ocean heat content and circulation. The GL also monitors the positions and behavior of radio sources that define the celestial reference frame. New methods and procedures are transferred to NGS as they reach maturity for operational applications.

Research continues in the application of GPS to crustal motion studies, improvements in GPS techniques for high precision static and kinematic surveys, and development of a high resolution geoid model that will allow vertical heights to be determined from GPS measurements.

Measures of Performance	1992 Actual	1993 Estimate	1994 Estimate
Number of horizontal positions determined with GPS	2,200	2,200	2,200
Kilometers of 1st-order leveling surveys	2,200	2,200	2,200

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Geodesy	Pos.\BA	173	$18,130	173	$18,402	0	$272
	FTE\Obl.	166		166		0	

Program Decreases: Decreases are requested to terminate low priority programs that are not consistent with NOAA's mission, programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

Two decreases totaling $2,228,000 are requested in this line item (1) $554,000 for the South Carolina Cooperative Geodetic Survey Program This is a specific State concern and an appropriate project for state funding. (2) $1,674,000 for a Land Information System for the Orleans, Calcasieu, and Jefferson Parishes of Louisiana As with the South Carolina project, it is more appropriate that this be the funding responsibility of the State, which is the direct beneficiary.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Ocean Service
Subactivity: Mapping, Charting, and Geodesy
Program Change: Geodesy

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	(257)
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	(14)
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(245)
26	Supplies and materials	(14)
31	Equipment	(58)
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(1,640)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**(2,228)**

An increase of $2,500,000 is requested to maintain core geodetic functions and responsibilities. The funds are needed to: (1) finance program field operations; (2) replace obsolete equipment and maintain existing equipment; (3) buy consumable supplies and materials supporting geodetic operations; (4) proceed with the modernization of our VLBI stations; and (5) maintain our support contract with the U.S. Naval Observatory.

	1994	1995	1996	1997	1998
Cost and Benefits:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	0	0	0	0	0
Total	0	0	0	0	0
Budget Authority	2,500	2,500	2,500	2,500	2,500
Outlays	1,450	2,150	2,325	2,500	2,500
FTE	0	0	0	0	0

*Performance Measures and Benefits for this increase are already included in the base narrative

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Ocean Service**
Subactivity: **Mapping, Charting, and Geodesy**
Program Change: **Geodesy**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	2,500
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**2,500**

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Ocean Service
Subactivity: Observation and Assessment

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Observation and Prediction	Pos./BA	222	$17,988	171	$17,760	168	$17,788	168	$17,748	0	($40)
	FTE/Obl.	214	17,461	165	18,287	162		162		0	
Estuarine and Coastal Assessment	Pos./BA	252	33,407	187	36,421	184	20,443	184	20,268	0	(175)
	FTE/Obl.	243	24,744	180	45,031	177		177		0	
Coastal Ocean Science	Pos./BA	67	11,685	60	12,450	59	12,324	59	11,874	0	(450)
	FTE/Obl.	65	11,550	58	12,585	57		57		0	
Total	Pos./BA	541	63,080	418	66,631	411	50,555	411	49,890	0	(665)
	FTE/Obl.	522	53,755	403	75,903	396		396		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity	National Ocean Service
Subactivity	Observation and Assessment

Goal Statement

Provide timely and accurate marine observations and predictions for safe and efficient operations in the oceans, coastal areas, estuaries and Great Lakes. Provide improved marine data products and services to specific user communities, and develop cooperative efforts with other Federal and state agencies. Support the Federal responsibility to provide improved observations, products, warnings and advisories based on oceanographic and marine atmospheric data for use in forecast models. Develop, through monitoring, research and assessment, an understanding of marine and estuarine resources and environments, and changes that result from human activities, produce a scientific basis for Federal management decisions associated with protection, development and use of ocean, estuarine and coastal resources.

Proposed Legislation

No legislation is proposed

Base Program

Observation & Prediction The Objectives of this Line Item are to

- Improve the quality, quantity, geographic coverage and timeliness of oceanic and related atmospheric observations,
- Modernize the equipment in the Nation's National Water Level Observation Network (NWLON);
- Improve and centralize acquisition and analysis of ocean data to support operational needs and numerical forecast models for both ocean and coastal areas;
- Provide tidal datums for support of nautical charting and for determination of Federal, state and offshore marine boundaries;

- Facilitate state-of-the-art tidal, current, and geophysical data acquisition, processing and archival facilities;
- Describe and predict circulation in selected estuarine and coastal areas through use of modern technology that minimizes field operations and numerical modeling techniques;
- Obtain sufficient ground truth surface observations to support effective use of satellite-derived ocean observations;
- Provide technical assistance to public and/or private organizations establishing real-time oceanographic measurement systems in areas of maritime/environmental significance; and,
- Use integrated sets of in situ and satellite observations to enhance understanding of the dynamic processes of the global oceans including ice coverage and motion.

This Line Item consists of three programs, all managed by the Office of Ocean and Earth Sciences (OES).

National Water Levels Program - OES operates and maintains the primary stations in the National Water level Observation Network (NWLON) located in U.S. coastal areas including the Great Lakes, and U.S. Territories and possessions; performs quality assurance procedures on the data from these stations and computes tidal and Great Lakes datums and predicts tides for all U.S. coastal areas; enters into cooperative programs with other Federal and State agencies, provides data, information and products critical to the National defense, safe navigation, tsunami and storm surge warnings, determination of marine boundaries, Great Lakes water resource management, including hydroelectric power generation and regulation, coastal engineering, and wetland preservation and management. OES' historical water level data base is the longest continuous geophysical data set available for assessing sea level change, an important indicator of global climate change.

At the NWLON stations and at NOS Headquarters, the Next Generation Water Level Measurement System (NGWLMS), an integrated water level measurement, data acquisition, data transmission, processing, analysis, and information dissemination system, is replacing obsolete field and out-dated computer systems. The new NGWLMS units consist of an acoustic water-level sensor, microprocessor-based data acquisition and storage field components, telephone and satellite telemetry communications links, and centralized data collection, processing, and dissemination capabilities at headquarters. Some of the NGWLMS units have been installed at global absolute sea level monitoring sites in the Long-Term Ocean Observations (L-TOO) portion of NOAA's Climate and Global Change Program, and include additional oceanographic and meteorological sensors and spaced-based radio telemetry/satellite surveying techniques that provide geodetic control.

Coastal Circulation Program - This program couples the latest acoustic Doppler current profiler technology and other state-of-the-art physical oceanographic measurements with sophisticated numerical circulation models via new generation data acquisition and dissemination systems to provide the Nation with circulation measurements, predictions and forecasts/nowcasts within estuaries and coastal areas. Past numerical circulation model studies include the Charleston Harbor and Tampa Bay. Results from real-time measurements and circulation modeling are used to update NOS prediction tables and to produce circulation atlases.

Observation, Analysis and Prediction Program - This program is a broad effort to modernize and enhance ocean and coastal data collection, develop techniques, and issue analyses and forecasts of marine environmental conditions. The program provides integrated ocean-observing networks, develops and implements innovative tools for environmental forecasting, and provides access to oceanographic and meteorological information to a wide range of users, including industry, commercial fishing, marine transportation, offshore oil and gas, private forecasting and value-added companies, Federal and state resource management agencies, and the research community. The program collects data from a variety of observing networks in real-time at several centralized locations (the Joint Ice Center, Suitland, MD; the Ocean Products Center, Camp Springs, MD; the Ocean Applications Branch, Monterey, CA; and the Observing Networks Branch, Silver Spring, MD) where data are quality controlled and serve as the bases for a variety of marine analysis and prediction products.

The Joint Ice Center (JIC) works with the U.S. Navy to provide global analyses and forecasts of hazardous sea and Great Lakes ice conditions to ensure safety of navigation through ice infested waters. The JIC operates the Digital Ice Forecasting and Analysis System (DIFAS) which is a state-of-the art computer interactive system that gathers, processes, and displays data and information at workstations. Users of ice analysis data products include the NOAA National Weather Service field forecast offices, the U.S. Coast Guard, numerical modeling centers, and academic and private communities.

The Ocean Products Center (OPC) uses a new quality control assurance system for operational interactive edit of marine meteorological and oceanographic data collected by global ocean observation systems. This quality control function ensures observation components are performing at an optimum level. OPC also processes and composites interactive satellite images and geographic information for use by NOAA scientists in operational environments. Users include numerical modeling centers, NOAA weather forecast and fisheries enforcement offices, and NOAA CoastWatch sites. The OPC also manages NOAA's Ocean Communications Network (NOCN) that provides computer-to-computer exchanges of data among NOAA, Federal, state, and local agencies.

The Ocean Applications Branch (OAB) develops, integrates, and disseminates oceanographic products and services for effective management of living marine resources.

The Observing Networks Branch (ONB) plans, develops and manages a wide array of projects of real-time ocean observing systems and networks, including volunteer observing ships, drifting and moored buoys, and island and coastal sea level monitoring stations in cooperation with other NOAA components.

Measures of Performance

Operate and maintain the National Water Level Observation Network (NWLON) stations, perform data quality assurance, and produce daily, monthly, and yearly output products.

Collect, quality control and disseminate over 50,000 global ocean observations. Provide sea surface temperature and salinity analyses, ice analyses and forecasts.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
National Ocean Service
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Observation and Prediction	**Pos.\BA**	168	$17,788	168	$17,748	0	($40)
	FTE\Obl.	162		162		0	

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

The decreases totaling $1,040,000 are requested in this line item: (1) $140,000 for supporting of the observation buoy network off the California coast. The buoys provide non-essential data used primarily by recreational boaters. (2) $400,000 for support of the Chesapeake Bay Observing System. This was a one year project. No FY 1994 funds are required. (3) $500,000 for support of the St. Petersburg, Florida Institute for Marine Engineering. This was a one year project. No FY 1994 funds are required.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Ocean Service**
Subactivity: **Observation and Assessment**
Program Change: **Observation and Prediction**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(1,040)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(1,040)

An increase of $1,000,000 is requested to maintain current operations. The funds are critically needed to (1) maintain and support the operation of the National Water Levels Observation Network; (2) maintain and modernize our capabilities to carry out circulation surveys; (3) modernize our tide and tidal current prediction services; and (4) maintain and modernize our distribution capabilities for ocean product services.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Ocean Service**
Subactivity: **Observation and Assessment**
Program Change: **Observation and Prediction**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	1,000
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	1,000

Estuarine & Coastal Assessment The objectives of this line item are to

- Synthesize and depict key characteristics of coastal use patterns, ecological systems, natural resource distributions, and environmental quality.
- Quantify changes in coastal ocean and estuarine environmental quality.
- Apply scientific protocols to pre event oil spill planning, spill prevention, on scene response, operational forecasting, impact mitigation, and environmental assessment of effects of releases of oil and other hazardous substances in the marine environment.
- Lead NOAA implementation of Oil Pollution Act planning, research, development and monitoring requirements.
- Evaluate risk of hazardous waste site impacts on coastal and marine habitats
- Conduct scientific and economic assessments to define monetary damages resulting from injury to natural resources under NOAA's trust responsibilities.
- Develop personal computer based information systems for decision making, strategic planning, and response to emergency events, and,
- Produce forecasts of coastal trends valuable to public agencies, legislators, conservationists, and other strategic planners

This line item consists of four programs managed by NOS's Office of Ocean Resources Conservation and Assessment (ORCA)

National Status and Trends Program (NS&T) Since 1984, NOAA has monitored the concentrations of a broad suite of toxic organic compounds and trace elements in bottom-feeding fish, shellfish, and sediments at over 300 coastal and estuarine sites around the U.S. The objectives of the program are (1) to determine the status and long-term trends of toxic contamination, (2) to determine relationships between contaminant exposure and significant biological responses in fish and shellfish, and (3) to develop and apply biological indicators (biomarkers) of contamination in areas that are shown by NS&T monitoring results to have relatively high levels of toxic chemicals. NOAA's national program is the first to use a uniform set of techniques to measure coastal and estuarine environmental quality. A "specimen bank" of samples, taken each year at about ten percent of the sites, is maintained at the National Institute of Standards and Technology for future retrospective analyses. The National Research Council has recommended that the NS&T Program be developed further as the national network component for marine environmental monitoring, through which regional programs can be linked and compared. The program works cooperatively with the Environmental Monitoring and Assessment Program (EMAP) of the U.S. Environmental Protection Agency, several state agencies, and foreign institutions.

Strategic Environmental Assessment Program. NOAA collects, synthesizes, and distributes comprehensive information on resources of the coastal ocean to identify compatibilities and conflicts among multiple uses and to help determine research and management needs and priorities. NOAA maintains large national data bases on the characteristics of coastal and estuarine areas (National Estuarine Inventory), on the distribution of biological resources and habitats within these areas (Living Marine Resources Program and National Coastal Wetlands Inventory), and on human activities and their pollutant discharges (National Coastal Pollutant Discharge Inventory). Information from these national data bases is being integrated into three geographical information and analysis systems, two of which are user-friendly systems for desktop applications by resource managers - the Computer Mapping and Analysis System (CMAS) and the Coastal Ocean Management, Planning, and Assessment System (COMPAS), while the third, Geo COAST, is a multi workstation, state of the art geographical information facility for in house development of information and assessment products. Major clients include EPA, the Department of the Interior, other elements of NOAA, coastal state environmental protection and natural resource agencies, and private sector institutions.

Hazardous Materials Response Program. As the scientific support coordinator to the U.S. Coast Guard's Federal on scene coordinator at marine spills of oil and hazardous materials, NOAA provides critical information on spill trajectory, chemical hazard analyses, and assessments of the sensitivity of marine and estuarine habitats. The program's substantial involvement in the post event assessment of the EXXON VALDEZ oil spill continues. The program provides similar support to the U.S. EPA's Superfund Program during emergency responses at, and for the cleanup of, abandoned hazardous waste sites in coastal areas. Over the past several years the program has developed and implemented the very successful CAMEO program designed to help emergency planners and first responders safely handle hazardous materials accidents. Major clients include EPA, U.S. Coast Guard, and some 5,000 fire departments and first response units around the Nation.

Damage Assessment Program. To fulfill the responsibility of the Secretary of Commerce, under the Superfund and Clean Water Acts, as a Federal trustee for living natural resources in coastal and marine areas, NOAA conducts comprehensive assessments of damages to NOAA trust resources from discharges of oil and releases of hazardous substances. Since 1985, NOAA has evaluated more than 600 hazardous waste sites in coastal areas and identified several hundred that could potentially affect NOAA trust resources. NOAA works with EPA to address natural resource concerns at these sites through cleanup efforts. Where significant damages have occurred, NOAA conducts damage assessments to enable the Federal Government to file claims against potentially responsible parties. The first such claim was filed in 1983 for damages resulting from PCB contamination in New Bedford Harbor, Massachusetts. The Damage Assessment Center is currently involved in 32 damage assessments.

Supplementing the funding that this program receives from the OR&F appropriation, are funds transferred from NOAA's Damage Assessment & Restoration Revolving Fund (DARRF). DARRF receipts come from settlements or court awards in cases involving damages of natural resources that are injured, destroyed or lost as the result of releases of hazardous substances or discharges of oil. While all funds transferred to the OR&F account are shown in this line item, the funds actually support related activities of the Office of General Counsel and the National Marine Fisheries Service as well as NOS's Damage Assessment program.

Measures of Performance

Under the Superfund and Clean Water Acts, initiate assessments of damages to natural resources and refer claims against potentially responsible parties at two new.locations for which the secretary is trustee.

Respond to oil and hazardous materials spills in coastal areas in order to help reduce their environmental impact.

Support development of spill response plans for 48 planning zones in the coastal U.S. as required by the Oil Pollution Act of 1990.

Develop and apply policy guidance and scientific protocols to research, pre-event planning, spill prevention to reduce risks to coastal and marine resources from oil and hazardous material releases.

Support restoration of trust resources affected by hazardous waste sites in coastal and marine habitats resources for which NOAA is a public trustee, and provide technical support to EPA in evaluating potential natural resource injury and environmental risk.

Develop and evaluate desktop information systems for coastal and marine resource management

Demonstrate the capabilities of a user-friendly, microcomputer-based COMPAS information management and assessment system to a state government or consortium, including operational instruction and verification of user application and satisfaction.

During FY 1994, emphasis will be placed on: 1) synthesis, interpretation, and forecasts of environmental quality in estuarine and coastal regions of the Nation; 2) delivery of environmental and coastal resource information to local, state and Federal decision making institutions in a timely manner and useful form; and 3) more aggressive pursuit of claims for damages from potentially responsible parties

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Estuarine & Coastal Assessment	Pos.\BA	184	$20,443	184	$20,268	0	($175)
	FTE\Obl.	177		177		0	

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which cotinued support cannot be provided in FY 1994.

A decrease of $175,000 is requested for support of the New Jersey Marine Sciences Consortium. This was a one year project. No FY 1994 funds are required.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Ocean Service**
Subactivity: **Observation and Assessment**
Program Change: **Estuarine & Coastal Assessment**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(100)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(75)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(175)

Coastal Ocean Science: The objectives of this line item are to strengthen NOAA's ability to assess and predict natural and human-induced changes in the coastal ocean through the integration and coordination of resources and coastal related research activities of NOAA's five line organizations. Coastal ocean issues rank among NOAA's top priorities. NOAA's Coastal Ocean Program (COP) represents a unique intra-agency approach to addressing the large-scale, interdisciplinary, and complex issues that confront our Nation's coastal waters. While NOAA is not alone in addressing these issues, its unique technical research capabilities and facilities are heavily relied upon by the other agencies, organizations and individuals that contribute to the management effort. The principal function of the COP is to provide focus for the coastal-related activities of the line offices, and to strengthen their marine missions, products and capabilities to ensure that decision-makers at all levels (including policymakers within NOAA, other federal agencies, coastal state resource managers, emergency response agencies, and scientists) are assured the best possible scientific information upon which to base their decisions. Representative of the importance of this function is the support by the COP of approximately 60 FTE in NOAA organizations who perform as research scientists and technicians, modelers, and system managers in enhancing NOAA's coastal mission capabilities.

The COP also strives to maximize the utility of NOAA assets by coordinating coastal ocean activities in NOAA as well as providing a focal point for other agencies and organizations (DOE, NSF, FWS, COE, EPA) that work with NOAA on coastal ocean and related issues. The COP is the focus for NOAA's interagency leadership of the FCCSET Committee on Earth and Environmental Sciences Subcommittee on U.S. Coastal Ocean Science. This program also responds to the Nation's goals of balancing environmental and economic concerns by providing information vital to sound decision making in the public and private sectors and by carrying out research critical to the U.S. fisheries industry such as endangered commercial fish and their habitats.

The COP goal is to improve prediction of human influence on the coastal environment within the context of natural variability, and to provide the highest quality science in time for important coastal policy decisions. The four major areas of COP efforts are

- To improve our understanding and prediction of impacts on **Coastal Environmental Quality**
- To improve our understanding and prediction of factors which influence **Fisheries Productivity**
- To improve our prediction and warnings of **Coastal Hazards**
- To improve NOAA's **Information Delivery** in support of coastal environmental decision-making

Coastal Environmental Quality. This area of effort addresses improvement of our understanding of the factors that impact coastal environmental quality. The Coastal Ocean Program is conducting research, survey, and modeling efforts related to point and non-point inputs of nutrients and toxic contamination in marine environments to determine their effects on environmental degradation of coastal waters and living marine resource populations.

Accomplishments in this area of effort include:

- Sponsored long-term research in selected estuaries where toxic contaminant levels are thought to be having an impact on natural resources. Assessment reports describing what is already known about the levels, trends, and impacts of contaminants in sediments and biota are prepared initially as a basis for establishing a survey strategy. Such reports have been completed for San Francisco Bay, Boston Harbor, S. California Bight, Long Island Sound, and Tampa Bay. Intensive surveys in Tampa Bay and the Hudson-Raritan Estuary to document contaminant effects have been underway since 1990, and in the southern California Bight since 1991.

- Conducted a workshop that resulted in publication of a National Plan for Marine Biotoxins and Harmful Algae. The plan's objectives are to foster the effective management of and scientific research on harmful marine algae and associated toxins, involving all of the oceanographic disciplines and several Federal and state agencies, as well as the academic community.

- Conducted a comprehensive Synthesis Workshop to present preliminary scientific findings for the first two years of research under the Nutrient-Enhanced Coastal Ocean Productivity (NECOP) Program. Results to date include: 1) recognition of the importance of nutrient-enhanced production as a source for "fueling" the development and propagation of hypoxia; 2) assessment of the implications arising from hypoxia on the Louisiana shelf ecosystem; 3) recognition of the importance of examining the physical sedimentary, chemical, and biological processes across the shelf; and 4) quantification of primary production for the first time on continental shelf sediments (this relieves low oxygen stress and adds organic matter to the benthic food chain. Based upon this information, a model is being developed to provide formal load reduction predictions).

- Initiated the first systematic monitoring of toxic algal bloom occurrences on the Louisiana shelf and started a red-tide watch. Observed red tides of two potentially toxic dinoflagellates and identified high concentrations of a number of other toxic algae, indicating a potential for harmful algal bloom incidents which this area hasn't historically experienced. The Coastal Ocean Program will continue to follow the evolution of these blooms in relation to the environmental factors which trigger them.

- Completed the isotopic-based study of carbon transport in the Mississippi River outflow/Gulf of Mexico shelf region. The Mississippi River delivers an estimated 4 x 10^{12} grams of particulate organic carbon and approximately half as much dissolved organic carbon to the northern Gulf of Mexico annually. Results support the idea that a significant fraction of terrestrially and/or coastally derived dissolved organic carbon and particulate organic carbon are transported offshore.

- Conducted a series of workshops to focus on atmospheric modeling needs related to the atmospheric nutrient input to the Chesapeake Bay. The project also assembled a large database on wet deposition, and acquired equipment for measuring dry deposition.

Fisheries Productivity. This area of effort aims to improve our understanding of the factors that influence fisheries productivity. The Coastal Ocean Program is conducting research, survey, and modeling efforts on the general properties that control fisheries populations and on the functions and relationships of habitats to living marine resources to improve predictions of fisheries productivity.

Accomplishments in this area of effort include:

- Continued the South Atlantic Bight Recruitment Experiment (SABRE) to improve the management of menhaden and similar commercial species through a better understanding of the ecological processes affecting population size. SABRE is a coordinated field and modelling effort among NOAA laboratories, academia, and state resource agencies.
- Continued the Bering Sea Fisheries Oceanography Coordinated Investigations project to reduce uncertainty in management decisions for the overfishing of the important pollock fishery in this region through an improved understanding of the ecological processes affecting population distribution and size.
- Initiated the Georges Bank Coastal Fisheries Ecosystem study to examine the interactive effects of predation and exploitation on overall productivity of fish populations in this historically valuable commercial fishery area.
- Completed mapping of submerged aquatic vegetation (SAV) along sections of the North Carolina coast. The results added important information to the state's Geographic Information System. Knowledge of the location of these sensitive resources has been used to evaluate the potential impact of offshore drilling for natural gas and to prohibit such activities as the mechanical harvesting of clams. Also conducted an analysis of changes to SAV coverage in a section of the coast experiencing increased development pressure.
- An implementation manual outlining a national protocol for mapping SAV, salt marshes, and adjacent upland areas and analyzing change in these land cover types using satellite and aerial photography is now available. It will include sources and procedures for data acquisition, processing, and presentation. To give the manual a national orientation, five regional workshops were held, soliciting input from over 250 federal, state, and university participants.
- Sponsored a literature search and review of the feasibility of using remote sensing and other techniques to assess the functional health of wetlands. Based on its conclusions, a research agenda for this effort is being developed.
- COP's change analysis for the Chesapeake Bay drainage basin provides information on changes in the composition and size of wetlands and upland land cover between 1984-1988/89 for a portion of the drainage basin. These estimates of change of land cover over time and space have been subjected to a rigorous statistical verification. The digitized data are now available for management and research use.

Coastal Hazards. This area of effort aims to improve predictions of extreme coastal weather and ocean conditions. The Coastal Ocean Program is developing a new generation of numerical models based on directed field investigations and observations, which will be used to simulate coastal hazard conditions for extreme flooding, winds, and waves. These simulation experiments will identify hazardous areas in coastal towns and cities that need to be evacuated during extreme events, and will result in more accurate predictions needed for real-time warnings.

Accomplishments in this area of effort include:

- Completed updates of three Sea, Land, and Overland Surge from Hurricanes (SLOSH) basin databases (Lake Pontchartrain, LA; Mobile Bay, AL; and Pensacola Bay, FL) with the latest model physics, bathymetry, and terrain. These models were made available to the National Hurricane Center for real-time hurricane surge forecasting and for use in hurricane evacuation planning through simulation studies.

- Initiated a comprehensive extratropical storm surge modelling effort to address the significant problems of surges and winds produced during winter storms such as the 1991 Halloween Day storm which impacted large areas of the U.S. East Coast.

- Conducted a feasibility study to evaluate hurricane wind field analysis procedures using data gathered during tropical storm Marco, Hurricane Bob, and the 1991 Halloween Day storm. Operational reconnaissance wind measurements gathered by aircraft were assimilated with standard surface observations into an experimental objective analysis system to provide a more accurate prediction of storm winds affecting coastal land areas.

- Acquired exceptionally high-quality observations of two very small tsunamis in the open ocean, providing critically important data for comparison with an existing generation/propagation model. The COP also supported inundation modeling and production of inundation maps of Hilo Bay, Hawaii.

- Improved the Eta wind model, which is under development at the National Meteorological Center, by making several modifications to the original model to enhance the analysis of complex wind fields over the coastal ocean.

- Began the first phase of the West Coast Sea Level Study with the development of a prototype data base to analyze the response of coastal water level to weather and oceanic forcing over synoptic to multidecadal time scales. The initial focus was on available data including 22 years of sea level data and weather observations in the Pacific Northwest, as well as ~ 150 years of monthly sea level observations at San Francisco. The first phase of the East Coast Sea Level Study was begun, with an initial emphasis on the seasonal and interannual variation in sea level.

Information Delivery. This area of effort aims to improve information delivery to meet policy, management, and research needs. The Coastal Ocean Program is improving NOAA's understanding of users' needs and products, and providing syntheses of scientific understanding to enhance information delivery to decision-makers.

Accomplishments in this area of effort include:

- Designated CoastWatch regional site managers for the Hawaii and Alaska regional sites, and activated local programs which will improve coastal users' access to NOAA data and information.

- Provided satellite imagery data products to the Southeast CoastWatch site for application to the management of endangered species by Federal and state officials. North Carolina used CoastWatch data to close and then reopen trawling season in the Hatteras Bight to protect threatened turtle species from accidental death without overly restricting the trawlers. CoastWatch imagery was also used to improve state and Federal King and Spanish mackerel tagging operations for the South Atlantic Fisheries Management Council.

- Provided satellite imagery used by researchers in the Northeast to analyze the dynamics of red tide events which are related to paralytic shellfish poisoning in the Gulf of Maine.

- Detected anomalous fisheries conditions in the Gulf of Mexico in the winter of 1991-1992 through imagery provided to Federal and state resource management officials.

- Provided imagery and in situ data to California management agencies to augment and enhance red tide and domoic acid monitoring. The CoastWatch "El Nino Watch" program has been implemented to detect and explain the effects of the present El Nino phenomena on near shore fish stocks.

- Worked with the state of Texas to implement the Coastal Ocean Management, Planning and Assessment (COMPAS) system. This desktop computer system gives state resource managers easy access to current information on land use, habitats, shellfish growing waters, distribution and abundance of fishes, point and nonpoint pollution, and regulatory data, enabling them to make decisions using the best available information.

- Expanded COMPAS application to the Florida Keys where it will be used to help plan and manage the newly designated National Marine Sanctuary. The Coastal Ocean Program has also initiated development of a generic version of COMPAS for eventual distribution to other states.

- Inaugurated procedures to peer review and prepare for publication three synthesis documents begun in the previous year. These documents bring together information on priority topics in a useful form to deliver timely and relevant information to coastal decision makers. The three documents that will be completed this year are: 1) Eutrophication and Phytoplankton Blooms: Bibliography and Review; 2) Synthesis of Summer Flounder Habitat Requirements for Resource Managers; and 3) An Assessment of the Technology and Success in Restoration, Enhancement and Creation of Salt Marshes in the U.S.

- Began three new synthesis documents selected through a peer review process: 1) Develop and Disseminate Coastal Watershed Restoration Information in Order to Strengthen Community-Based Aquatic Habitat Protection Efforts; 2) Synthesis of Techniques for Restoring Streams and Anadromous Fish Habitat Affected by Logging and the Use of Buffer Zones as Regulatory Control/Management Practices; and 3) Synthesis of Seagrass Restoration Technology.

- Continued the second year of research on the synthesis document, Methodology and Mechanisms for Management of Cumulative Coastal Environmental Impacts.

- Began the development of a bibliography of documents on coastal ocean topics by the NOAA Library.

- Continued to hold workshops for coastal managers on natural resource economic valuation methods. This year the workshop are being held in the Northwest and the Mid-Atlantic.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Regions Mapped/ Critical Projects Started/Completed	9	10	9
Data/Observing Systems Enhanced	10	10	10
Toxic & Nutrient Sites Surveyed/Assessed	8	9	8
Scientific/Technical Assessments & Publications	20	25	25
Workshops/Conferences/Symposia - Presentations	14	20	20
New Models/Algorithms Developed/Improved	14	20	20

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Coastal Ocean Science	Pos.\BA	59	$12,324	59	$11,874	0	($450)
	FTE\Obl.	57		57		0	

Program Decreases: Decreases are requesteed to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

NOAA proposes a decrease of $450,000 associated with a joint effort with EPA to provide the scientific understanding and information to assist the control and reduction of occurrences of macroalgal blooms on the west coast of Maui, Hawaii. Work accomplished thus far with FY 1993 funds indicates that substantial progress can be made with available funds. NOAA does not anticipate the need for further dedicated funding

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Ocean Service
Subactivity: Observation and Assessment
Program Change: Coastal Ocean Science

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(230)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(220)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**(450)**

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Ocean Service
Subactivity: Ocean and Coastal Management

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Coastal Management	Pos./BA	64	$47,186	50	$43,225	49	$42,915	49	$41,955	0	($960)
	FTE/Obl.	61	45,557	48	46,193	47		47		0	
Ocean Management	Pos./BA	77	7,066	60	8,771	59	8,985	59	8,841	0	(144)
	FTE/Obl.	74	8,940	58	8,810	57		57		0	
Total	Pos./BA	141	54,252	110	51,996	108	51,900	108	50,796	0	(1,104)
	FTE/Obl.	135	54,497	106	55,003	104		104		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Ocean Service**
Subactivity: **Ocean and Coastal Management**

Goal Statement

The goal of the Coastal Zone Management Act (CZMA) of 1972, as amended, (P.L. 101-508) is to promote the national interest in the rational use and conservation of the Nation's coastal zone. In keeping with the goal of the CZMA, states and their local partners have established a voluntary partnership with the Federal Government to implement coastal management programs tailored to each state's needs. These programs have to be federally approved according to national criteria in the CZMA. The partnership established by the CZMA is unique among Federal resource protection statutes in that coastal management is undertaken through the administration of state laws and regulations, while OCRM provides funding, technical assistance and support, and oversight to ensure that state programs adhere to the national objectives of the CZMA. The CZMA is also unique in that it transcends plan development and focuses on implementation and enforcement, requiring that state CZM programs be enforceable. The Office of Ocean and Coastal Resource Management provides financial assistance, policy guidance, and ensures a broader national perspective. In addition, Sec 315 of the Act has the goal of protecting natural resources and promoting estuarine research and education through the establishment of a national system of estuarine research reserves.

The goal of Title III of the Marine Protection, Research and Sanctuaries Act, as amended, (P.L. 100-627) is to designate and manage nationally significant areas of the marine environment as National Marine Sanctuaries.

The goals of the Deep Seabed Hard Mineral Resources Act (P.L. 96-283) are to (1) provide a legal regime to regulate and facilitate the development of the U.S. deep seabed mining industry and (2) conduct a continuing program of ocean research to support exploration and commercial recovery of marine minerals in an environmentally sound manner. The goals of the Ocean Thermal Energy Conversion Act of 1980 are to regulate and promote development of a renewable energy source and protect the environment by establishing procedures for the location, construction, and operation of OTEC facilities and plantships.

Proposed Legislation

No legislation is proposed.

Base Program

Coastal Management: The primary purpose of the CZM program is to advance the national interest of the U. S. in its coastal areas by addressing problems of the coastal environment through a coordinated, national effort that maintains a balance between resource protection and coastal-related economic activity. Federal funds provide financial assistance, through cooperative agreements, to states and territories to implement Federally-approved coastal management programs. Federal resources also fund staff to assist coastal states and territories in the development and implementation of their CZM programs and in the establishment of estuarine reserves

OCRM (1) negotiates and monitors cooperative agreements with coastal states and territories to implement their approved coastal management programs under section 306 of the CZMA; (2) reviews and provides guidance on emerging new CZM programs, (3) reviews and processes CZM program changes; and (4) reviews Federal agency actions for compliance with the Federal consistency provisions of section 307 of the CZMA

In addition, the 1990 amendments to the CZMA established a new Coastal Zone Enhancement Grant Program (Sec 309), which responds to growing concerns about the declining health of the Nation's coastal resources, including increased population growth and intense competition for use of coastal resources. This is a voluntary program which gives states and territories the opportunity to compete for additional Federal funds awarded to states that address enforceable changes to their CZM programs in eight identified national priority areas (e g wetlands protection and restoration, control of cumulative and secondary impacts of coastal development, protection from coastal hazards, management of ocean resources, reduction of marine debris, siting of energy and government facilities, public access to coastal areas, and special area management planning)

The 1990 amendments also established the Coastal Nonpoint Pollution Control (CNPC) Program (Section 6217) The central purpose of this program is to strengthen the links between Federal and state coastal zone and water quality management programs and thereby enhance state and local efforts to manage land uses which impact coastal water quality Under the CNPC program, states with federally approved CZM programs are required to develop and implement enforceable programs to control sources of nonpoint pollution that have a significant impact on coastal waters The program is a coordinated effort, both on the federal level between NOAA and EPA, and on the state level between state CZM and water quality agencies EPA and NOAA must approve all state CNPCs To assist the states in developing their programs, EPA and NOAA jointly issued two documents in January 1993 Program Development and Approval Guidance and Management Measures Guidance OCRM is currently developing a program of technical assistance in order to assist coastal states in development of these mandatory water quality programs

OCRM also conducts evaluations of state CZM programs and estuarine reserves under Section 312 of the CZMA and provides policy development and office-wide coordination services. Funds from the Coastal Zone Management Fund, discussed under a separate heading, are used for related activities of the coastal zone management program

OCRM administers the National Estuarine Research Reserve Program (as authorized by Section 315 of the Coastal Zone Management Act of 1972). Under this program OCRM (1) establishes and oversees state management, through a Federal/State cooperative effort, of a national system of representative estuarine ecosystems; (2) ensures that these ecosystems are suitable for long-term research, (3) assists states in the development of management plans; and (4) provides financial assistance to states to (a) acquire these ecosystems, (b) construct and operate facilities, and (c) support educational programs and monitoring and research projects

By September 30, 1994, there will be 22 designated estuarine research reserves in the following states: Oregon, Georgia, Ohio, Maryland, California (2), Washington, Rhode Island, Florida (2), Puerto Rico, Maine, North Carolina, Hawaii, New York, Alabama, Massachusetts, New Hampshire, Virginia, South Carolina (2) and Delaware Four additional reserves are in development New York (St Lawrence River), California (San Francisco Bay), Florida (East Coast), and New Jersey (Mullica River)

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Coastal Management	Pos.\BA	49	$42,915	49	$41,955	0	($960)
	FTE\Obl.	47		47		0	

Program Decreases. Decreases are requested to terminate low priority programs that are not consistent with NOAA's mission, programs that are not necessary to meet essential program needs, or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994

A decrease of $960,000 is requested for the Charleston, South Carolina Harbor Special Area Management Plan The State should be in the position to finish the project with the funds already provided

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity.	**National Ocean Service**
Subactivity.	**Ocean and Coastal Management**
Program Change:	**Coastal Management**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(960)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(960)

Ocean Management: OCRM also administers Title III of the Marine Protection, Research, and Sanctuaries Act of 1972, by (1) identifying areas of the marine environment of special national significance due to their resource or human-use values; (2) carrying out a comprehensive and coordinated program of conservation and management of these marine areas; (3) supporting, promoting and coordinating scientific research on, and monitoring of, the resources of these protected areas; (4) enhancing public awareness, understanding, and appreciation of the marine environment; and (5) facilitating, to the extent compatible with the primary objective of resource protection, all public and private uses of the resources of these marine areas not prohibited pursuant to other authorities.

By September 30, 1994, there will be 14 designated national marine sanctuaries: MONITOR (NC), Key Largo (FL), Channel Islands (CA), Gray's Reef (GA), Looe Key (FL), Gulf of the Farallones (CA), Fagatele Bay (AS), Cordell Bank (CA), Florida Keys (FL), Flower Garden Banks (LA/TX), Stellwagen Bank (MA), Monterey Bay (CA), Olympic Coast (WA) and the Hawaiian Islands Humpback Whale. Key Largo and Looe Key will soon be incorporated into the larger Florida Keys Sanctuary. Three additional sanctuaries are in development: Norfolk Canyon (VA), Thunder Bay (MI), and Northwest Straits (WA).

Under the Deep Seabed Hard Mineral Resources Act, OCRM is tasked with assuring compliance with legal requirements by U.S. citizens engaged in the exploration and commercial recovery of manganese nodules, conducting ocean-related research to support regulatory decisions, and consulting with other seabed mining nations to establish reciprocal relationships. The Act requires NOAA to issue and implement regulations on licenses for exploration and permits for commercial recovery of manganese nodules in the deep seabed, and to pursue a continuing program of ocean research and environmental assessment. The Act also provides for the establishment of a system wherein the United States and other seabed mining nations recognize each other's legal regimes and activities. NOAA has issued licenses for exploration to four U.S. based consortia that are in the 8th year of exploration activities. NOAA cooperates with the Department of State on United Nations consultations pertaining to deep seabed mining provisions of the United Nations Convention on the Law of the Sea.

Under the Ocean Thermal Energy Conservation Act, OCRM is tasked with establishing and maintaining a domestic legal framework for encouraging the development of OTEC as a commercial, renewable energy technology and with issuing licenses for the development of U.S. OTEC projects. The OTEC Act requires NOAA to issue and implement regulations and issue licenses to locate, construct and operate onshore or near shore U.S. OTEC facilities and OTEC plantships. Funding for the program was suspended in FY 1986, when low crude oil prices made the receipt of OTEC license applications appear unlikely. Recent OTEC technological developments, which will reduce OTEC construction and operating costs and the co-production of fresh water could lead to a revival of interest in OTEC.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of states/territories with approved management programs	29	30	34
Estuarine Reserves Designated	21	22	22
Acres of Reserves Managed	437K	450K	450K
Seabed exploration licenses monitored	4	4	4
Marine Sanctuaries Designated	11	14	14
Square Nautical Miles of Sanctuaries Managed	9.7K	12.7K	13.2K

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Ocean Management	Pos \BA	59	$8,985	59	$8,841	0	($144)
	FTE\Obl.	57		57		0	

Program Decreases. Decreases are requested to terminate low priority programs that are not consistent with NOAA's mission, programs that are not necessary to meet essential program needs, or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on going programmatic needs, programs for which continued support cannot be provided in FY 1994.

A decrease of $144,000 is requested for the proposed Kahoolawe Island Marine Sanctuary. Work on this designation will continue without these funds.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity: **National Ocean Service**
Subactivity: **Ocean and Coastal Management**
Program Change: **Ocean Management**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(144)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(144)

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Services
Subactivity: Information, Collection, and Analyses

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Resource Information	Pos./BA	959	$88,858	959	$84,812	941	$85,245	941	$86,392	0	$1,147
	FTE/Obl.	924	86,810	924	88,546	906		906		0	
Fishery Industry Information	Pos./BA	204	18,451	203	18,030	199	18,050	199	18,926	0	876
	FTE/Obl.	196	18,184	196	18,297	192		192		0	
Information Analyses and Dissemination	Pos./BA	326	23,448	327	21,424	321	21,637	321	23,562	0	1,925
	FTE/Obl.	314	20,083	315	24,789	309		309		0	
Total	Pos./BA	1,489	130,757	1,489	124,266	1,461	124,932	1,461	128,880	0	3,948
	FTE/Obl.	1,434	125,077	1,435	131,632	1,407		1,407		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Marine Fisheries Service**
Subactivity: **Information Collection and Analyses**

Goal Statement

Collect high quality data and provide accurate and timely analyses on the biological, ecological, economic, and social aspects of the Nation's use and conservation of its living marine resources. Provide this information to support the National Marine Fisheries Service (NMFS) strategic plan goals to rebuild overfished marine fisheries, maintain currently productive fisheries, advance fishery forecasts and ecosystem models, integrate conservation of protected species and fisheries management, protect living marine resource habitat, improve the effectiveness of international fisheries relationships, and encourage U.S. aquaculture.

Proposed Legislation

Legislation is proposed to reauthorize the Magnuson Fishery Conservation and Management Act (MFCMA), P.L. 94-265, the Endangered Species Act (ESA), P.L. 95-632, and the Marine Mammal Protection Act (MMPA), P.L. 100-711, as well as other statutes relating to the responsibilities described in this subactivity.

Base Program

The objectives of this subactivity are to:

- Collect, analyze, manage, and disseminate timely information and recommendations on the status of fish, shellfish, marine mammal, and endangered species stocks in subsistence, commercial, recreational and non-consumptive fisheries, and on their social and economic importance.
- Determine the impacts of the incidental taking of marine mammals and endangered species.

- Develop forecasting models for living marine resource populations, ecosystems, and fishery systems.
- Evaluate alternative management options and their effects on fishery resources and industry.
- Improve the quality and timeliness of information services concerning living marine resources, their habitats, and their use.

The living marine resources within 200 nautical miles of the coastline of the U.S. contribute billions of dollars each year to the Nation's economy. Under the Magnuson Fishery Conservation and Management Act (MFCMA) and other statutes and international treaties, the National Oceanic and Atmospheric Administration (NOAA) is responsible for providing the scientific and technical information needed to conserve and manage living marine resources and their habitats. This information is used by Regional Fishery Management Councils, international and domestic fishery commissions, the Marine Mammal Commission, the interstate fisheries commissions, NOAA, and other Federal and state agencies to establish and implement a variety of conservation and management measures. Other agencies use this information to assess the effects of proposed projects on marine resource populations and habitats. Public and private decision-makers use this information to guide the use of the Nation's fishery resources. The information and analyses are the basis for management and development decisions that support the growth and stability of the U.S. economy, especially the fishing industry. Currently, NOAA monitors and conducts research on 171 stocks of fish, marine mammals, and endangered species, as well as their habitats. These assessments must be updated frequently because of the dynamic and natural variability of the marine environment, the stocks involved, and widespread changes in fishing practices. To complete these assessments, NOAA collects biological, environmental, economic, social, and statistical data on fish, shellfish, marine mammal and endangered species stocks, their habitats, and uses. Analytical models then are used to combine these data to assess trends in stock sizes, determine appropriate sustainable yields from resources, ascertain their economic and social importance, and evaluate the impacts of alternative management measures. Additional resources are required to maintain these critical on-going activities.

Most of this work is conducted by NOAA's National Marine Fisheries Service (NMFS) field elements with oversight, review, and direction by NMFS headquarters in Silver Spring, MD. The field structure consists of five Regional Offices, each with a Science Center to direct the work carried out by the laboratories in that region. Major NMFS facilities are located at the following sites:

Northeast:	**Regional Office** - Gloucester, MA. **Science Center** - Woods Hole, MA. **Laboratories** - Gloucester, MA; Milford, CT; Narragansett, RI; Oxford, MD; Sandy Hook, NJ; Smithsonian, Washington, DC.
Southeast:	**Regional Office** - St. Petersburg, FL. **Science Center** - Miami, FL. **Laboratories** - Beaufort, NC; Charleston, SC; Galveston, TX; Panama City, FL; Pascagoula, MS; Stennis Space Center (Bay St.Louis), MS.
Southwest:	**Regional Office** - Long Beach, CA. **Science Center** - La Jolla, CA. **Laboratories** - Monterey, CA; Tiburon, CA; Honolulu, HI.

Northwest: **Regional Office** - Seattle, WA. **Science Center** - Seattle, WA at Montlake.
Laboratories - Manchester, WA; Mukilteo, WA; Pasco WA; Newport, OR; Pt. Adams, OR.

Alaska: **Regional Office** - Juneau, AK. **Science Center** - Seattle, WA at Sand Point.
Laboratories - Auke Bay, AK; Kodiak, AK; Little Port Walter, AK.

Resource Information: The objectives of this element are to collect biological, environmental, and ecosystem data about the Nation's living marine resources and their habitats to support the management and conservation of these resources. Living marine resources include fish, shellfish, corals, marine plants, marine mammals, and endangered species. Research programs are conducted nationwide by NOAA's fisheries research laboratories and provide fundamental information required by Federal, state, and industry decision-makers for conservation and management purposes.

Scientific surveys, using chartered and government vessels, aircraft, and satellites, are conducted to collect biological information on the species composition, size, abundance and distribution of living marine resources of commercial, recreational, or ecological significance, as well as related habitat data. Major resources include: highly migratory and coastal pelagic fishes, reef fish, lobster, groundfish, crab, herring, mackerel, shrimp, clams, scallops, and salmon, as well as marine mammals and sea turtles. This information supports habitat conservation and resource allocation decisions, including the resolution of conflicts among competing user groups. These surveys provide data on scientific samples used for determining the characteristics of the resource populations. Stock assessments are produced using a combination of information from resource surveys and information collected directly from fishing industries and observer programs. Information also is obtained through cooperative agreements and contracts with state agencies, universities, and private organizations. Furthermore, information on migratory marine species and environmental conditions in the oceans beyond the Outer Continental Shelf of the U.S. are supplemented by data collected on ships of opportunity and satellite overflights.

Research includes predator-prey relationships, mortality and growth rates, age and sex structure, reproductive states, distribution and migrations, habitat and physiological requirements and diseases. These data provide an understanding of biological processes necessary to develop sound conservation and management strategies. Food chain and predator-prey relationships are particularly important in understanding the complex interactions of marine species and for comprehensive ecosystem management. Research also is carried out on stress to marine resources from pollution and overfishing.

Protected species research focuses on abundance, distribution, migrations, bioprofiles, marine mammal population trends, and the impacts of human activity on right whales, bowhead whales, porpoises, fur seals, monk seals, sea lions, and sea turtles. NOAA requires this information to fulfill its Marine Mammal Protection Act and Endangered Species Act responsibilities for the conservation and management of endangered or threatened species and marine mammals.

Accurate prediction of fishery yields is difficult because of ecological variability that influences the abundance of living marine resources. Environmental changes can affect living marine resources significantly during all life stages and drastically affect harvests, resource distribution and availability along traditional migratory routes, feeding and spawning concentrations, and behavior on fishing grounds. Natural and human-induced (i.e. fishing pressure, habitat degradation, and pollution) changes to marine habitats are studied to determine their effects upon the abundance, distribution, and physiological functions of species of commercial and recreational significance. NOAA specifically investigates the effects of dams, power plants, effluence, dumping, dredging, and logging on fish, marine mammals, and endangered species. The resulting increased understanding about recruitment dynamics, pollutant effects, and ecosystem impacts helps managers to identify and mitigate the causes of mortality and recruitment variability. Such actions help to restore or to maintain marine resources.

Anadromous fisheries research is conducted in Alaska, the Pacific Northwest, the Southeast, and in the Northeast. Much of the research addresses salmon production and the quality of smolts released from hatcheries in order to improve the production efficiency of salmon hatcheries in the Pacific Northwest and ocean ranching operations in Alaska. Research, including genetic stock identification research, also is conducted in support of the U.S.- Canada Pacific Salmon Treaty obligations and to investigate the interception of U.S.-origin salmon by foreign high-seas driftnet fisheries. Treaty research, management, and enhancement activities are carried out primarily at NOAA's fisheries research laboratories in Auke Bay, AK, and Seattle, WA. Work to implement the Treaty also is done in cooperation with the States of Alaska, Washington, Oregon, and Idaho; Indian tribes; and the Pacific Salmon Commission in Vancouver, British Columbia. In the Northeast, research focuses on Atlantic salmon. Extensive research has been supported in the Northeast on striped bass under the Emergency Striped Bass Study, on sturgeon, and on striped bass in the Gulf of Mexico.

State-of-the-art remote sensing and other technologies are developed and used to improve the timeliness and quality of the information on living marine resources and their habitats. In some fisheries, acoustic devices are used to locate fish and estimate their abundance. Aerial and satellite sensor techniques are developed to: locate plankton concentrations and ocean thermal fronts; measure water temperature, salinity, and turbidity; track fish, mammals, and sea turtles; and direct research and fishing vessels to target areas. The application of advanced technology increases the speed at which large ocean expanses and extensive coastal areas can be monitored, thereby giving a more complete picture of physical changes in the oceanic environment and their relationship to resource variations evidenced from survey data.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of living marine resource stocks fully or partially assessed	171	171	171
Number of sampling days-at-sea for collection of all fishery-independent data	1,777	1,966	1,911

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operational, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Resource Information	Pos.\BA	941	$85,245	941	$86,392	0	1,147
	FTE\Obl.	906		906		0	

NOAA requests a net increase of $1,147,000 for resource information activities.

Program Increase (+0 FTE, +$4,683,000): NOAA requests an increase of $4,683K to maintain critical current operations. This funding is essential to maintain critical research and data collection activities supporting statutory conservation and management responsibilities under the MFCMA, ESA and MMPA. Funding will be used to continue resource survey and population assessment activities for species currently under conservation and management regimes in order to maintain or improve the overall productivity of the stock. Such funding is necessary to avoid a significant downsizing of NMFS resource information activities involving about 106 employees and the closure of a number of NMFS facilities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including in-season allocation adjustments, as well as the conservation and recovery of marine mammals and sea turtles and their supporting habitat. Reauthorizations of the MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagic management), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these additional responsibilities. Thus, it is critical for this funding to be provided.

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	4,683	4,683	4,683	4,683	4,683
Total	4,683	4,683	4,683	4,683	4,683
Budget Authority	4,683	4,683	4,683	4,683	4,683
Outlays	2,716	4,027	4,355	4,683	4,683
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: Information Collection and Analysis
Program Change: Maintain Critical Current Resource Information Operations

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	689
24	Printing and reproduction	125
25	Other services	1,253
26	Supplies and materials	188
31	Equipment	251
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	2,177
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	4,683

Program Decreases: Decreases totalling $3,536K are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

- Stuttgart 0/-$576
- Hawaiian monk seals 0/-$520
- Oyster disease research 0/$1,500
- Atlantic bluefin tuna 0/-$300
- Hawaii stock management plan 0/-$500
- Center for Shark Research 0/-$140

A decrease of $576,000 is requested for operation and maintenance costs at the Fish and Wildlife Services' Stuttgart, Arkansas facility. NOAA funding should not support catfish rearing at Stuttgart because these activities relate to freshwater programs which are the responsibility of the Department of the Interior.

A decrease of $300,000 is requested for Atlantic bluefin tuna research as directed by Congress to be provided to the New England Aquarium in FY 1993.

A decrease of $1,500,000 is requested for oyster disease research activities. NOAA has worked with the State of Maryland, the Virginia Institute of Marine Sciences, and others to conduct research emphasizing the development of the monoclonal antibody approach for disease diagnosis.

A decrease of $520,000 is requested for Hawaiian monk seals research. The Administration's proposed research program for protected species is sufficient to meet essential protected species management information needs.

A decrease of $500,000 is requested for Hawaii stock management activities used to support a multi-year effort to develop and test the technology of a marine sock enhancement program in the Hawaiian Islands. This activity has been supported since FY 1987.

A decrease of $140,000 is requested for the Center for Shark Research as directed by Congress to be provided to the Mote Marine Laboratory in FY 1993.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Marine Fisheries Service**
Subactivity: **Information Collection and Analysis**
Program Change: **Resource Information**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(1,096)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(2,440)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(3,536)

Fishery Industry Information: Information on the inputs of production are collected and analyzed to model alternative regulatory regimes and forecast their likely impacts on the biology and economics of the fishery. Production output information is used to determine the efficacy of management decisions that are implemented and to track regulatory compliance by the participants. Timely and accurate harvesting information is vital to the effective implementation of quota-based, seasonal, areal, and in-season management regulations. Production information consists of biological, sociological, and economic information collected from commercial and recreational fisheries, as well as samples of recreational and commercial catch. These data complement the data from the resource surveys.

Information is collected on commercial and recreational harvesting and disposition of fishery resources. Commercial information includes: (1) volume and value of catch in domestic, joint venture, and foreign fisheries by species, region, state, and type of fishing gear; (2) incidental take or harvest of non-target species; (3) fishing effort and costs associated with catch; (4) volume and value of processed fishery products from domestic harvest, joint ventures, and imports; (5) cold storage holdings of fishery products; (6) production of industrial fish products (e.g., fishmeal and oil); (7) number of operating units and people employed in harvesting and processing fishery products; (8) imports and exports of fishery products; and (9) consumption of fishery products. Fishing effort and location data are collected by logbooks in some fisheries, from interviews of fishermen in others, and through at-sea sampling on domestic and foreign vessels. Recreational information includes: (1) the number and participation rates of marine recreational fishermen; (2) their catch and effort data by mode of fishing (e.g., shore, pier, and charter boat); and (3) their expenditures.

These activities produce extremely useful data sets on foreign and domestic fishing vessels, landings and effort, shore facilities and labor, capital expenditures, and changing fishing practices. Data frequently are collected cooperatively with the states, foreign governments, and the commercial and recreational fishing industries. Effective conservation and management measures, including resource allocation among various user groups, are dependent on analyses of these current and historical data bases.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of living marine resource stocks fully or partially assessed	171	171	171
Number of sampling days-at-sea for collection of all fishery-independent data	1,777	1,966	1,911

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Fishery Industry Information	Pos.\BA	199	$18,050	199	$18,926	0	$876
	FTE\Obl.	192		192		0	

NOAA requests an increase of $876,000 for fishery industry information activities.

Program Increase (+0 FTE, +876,000): NOAA requests an increase of $876K to maintain critical current operations. This funding is essential to maintain critical data collections on commercial and recreational fishery harvests in support of existing fishery management plans nationwide. Such funding is necessary to avoid a significant downsizing in NMFS fishery industry information activities involving about 20 employees. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans nationwide and in-season allocation adjustments, as well as the conservation and recovery of marine mammals and sea turtles and their supporting habitats. Reauthorization of MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagic management) being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus it is critical for this funding to be provided.

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	876	876	876	876	876
Total	876	876	876	876	876
Budget Authority	876	876	876	876	876
Outlays	508	753	815	876	876
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**National Marine Fisheries Service**
Subactivity:	**Information Collection and Analysis**
Program Change:	**Fishery Industry Information**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	124
24	Printing and reproduction	22
25	Other services	225
26	Supplies and materials	34
31	Equipment	45
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	426
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**876**

Information analysis and dissemination: Activities support timely analysis and dissemination of fishery data, and ecosystem-focused analysis. This effort requires investments in computer, telecommunication, and facility infrastructure.

Resource information, analyses, and recommendations on the status of stocks and the effects of current and potential management regulations are provided to NOAA, the eight Regional Fishery Management Councils, states, three interstate Marine Fisheries Commissions, and commissions established through international treaties. Data are analyzed and used in computer models to forecast changes in resource abundance that are required for long-range management. Computer-based analyses are important for monitoring domestic and foreign observer data, for administering various permit systems, and for timing of mid-season closures, if necessary, of various fisheries under quota controls. This information also is used to identify the consequences of natural and human-induced changes in the marine environment on the production and abundance of living marine resources and to analyze the impacts of fishery management measures on the resources and the industry. Significant emphasis is placed on the use of state-of-the-art computer hardware and software systems to process scientific, administrative, and technical data used in living marine resource management, ecosystem modeling, stock abundance predictions, and other large-scale scientific applications. NOAA also must share data with states and the interstate Marine Fisheries Commissions for management of interjurisdictional fisheries, such as menhaden, flounder, and mackerel, and with other countries, such as Canada, the Newly Independent States (NIS) of the former Soviet Union, and Mexico, for management of transboundary fisheries, including salmon, shrimp, groundfish, and pelagic swordfish and tunas. In FY 1991, NOAA initiated a modernization effort to upgrade its fisheries computer and information analysis capabilities. The phased acquisition of the computer system began in FY 1993 with total system upgrade to be completed in FY 1995/1996.

There will be continued focus on critical data management issues such as: implementation of an Information Resource Management review process; archiving valuable data sets; development and implementation of NMFS-wide standards; development of a data dictionary and directory to support NOAA data management goals; implementation of a data communication and automated data processing security program in accordance with the 1987 Computer Security Act; and the operation of a data telecommunication network.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of living marine resource stocks fully or partially assessed	171	171	171
Number of sampling days-at-sea for collection of all fishery-independent data	1,777	1,966	1,911

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Information Analyses and Dissemination	Pos.\BA	321	$21,637	321	$23,562	0	$1,925
	FTE\Obl.	309		309			

NOAA requests an increase of $1,925,000 for information analysis and dissemination activities.

Program Increase (+0 FTE, +$1,925,000): NOAA requests an increase of $1,925K to maintain critical current operations. This funding is essential to maintain the analysis and dissemination of data on the status of fishing and marine mammal stocks in support of existing conservation and management measures. Funding will allow NOAA to continue to provide the eight Regional Fishery Management Councils with data and information for fisheries currently under management to ensure their proper conservation. Such funding is necessary to avoid a significant downsizing of NMFS information analysis and dissemination activities involving about 44 employees and the closure of a number of NMFS facilities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans nation-wide and in-season allocation adjustments, as well as the conservation and recovery of marine mammals and sea turtles and their supporting habitats. Reauthorizations of the MFCMA, ESA, and MMPA in FY1993 are pending and may lead to additional requirements, such as those required by previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagic management) being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus, it is critical for this funding to be provided.

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,925	1,925	1,925	1,925	1,925
Total	1,925	1,925	1,925	1,925	1,925
Budget Authority	1,925	1,925	1,925	1,925	1,925
Outlays	1,117	1,656	1,790	1,925	1,925
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: Information Collection and Analysis
Program Change: Information Analyses and Dissemination

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	283
24	Printing and reproduction	51
25	Other services	514
26	Supplies and materials	77
31	Equipment	103
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	897
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	1,925

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Services
Subactivity: Conservation and Management Operations

Line Item		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) Over 1994 Base Personnel	Increase/ (Decrease) Over 1994 Base Amount
Fisheries Management Programs	Pos./BA	168	$37,403	166	$36,441	163	$36,547	163	$36,200	0	($347)
	FTE/Obl.	162	34,217	160	39,627	157		157		0	
Protected Species Management	Pos./BA	176	19,064	175	17,023	172	16,885	172	16,507	0	(378)
	FTE/Obl.	169	18,373	169	17,714	166		166		0	
Habitat Conservation	Pos./BA	83	6,085	83	5,800	81	5,761	81	6,306	0	545
	FTE/Obl.	80	5,980	80	5,905	78		78		0	
Enforcement and Surveillance	Pos./BA	147	10,926	145	11,000	143	11,150	143	12,637	0	1,487
	FTE/Obl.	141	10,763	140	11,163	138		138		0	
Total	Pos./BA	574	73,478	569	70,264	559	70,343	559	71,650	0	1,307
	FTE/Obl.	552	69,333	549	74,409	539		539		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Marine Fisheries Service**
Subactivity: **Conservation and Management Operations**

Goal Statement

Implement and monitor living marine resource management measures to support National Marine Fisheries Service (NMFS) strategic plan goals to rebuild overfished marine fisheries, maintain currently productive fisheries, integrate conservation of protected species and fisheries management, protect living marine resource habitat, improve the effectiveness of international fisheries relationships, and encourage U.S. aquaculture.

Proposed Legislation

Legislation is proposed to reauthorize the Magnuson Fishery Conservation and Management Act (MFCMA), P.L. 94-265, the Endangered Species Act (ESA), P.L. 95-632, and the Marine Mammal Protection Act (MMPA) P.L. 100-711, as well as other statutes relating to the responsibilities described in this subactivity.

Base Program

The objectives of this subactivity are to:

- Identify depleted and overexploited fishery stocks. Reduce fishing effort on overfished stocks. Implement Magnuson Act (section 602) guidelines for prevention of overfishing. Reduce bycatch of overfished stocks. Reduce the risk of overfishing in currently productive fisheries. Reduce uncertainty in stock assessments. Improve compliance with fisheries regulations. Ensure effective fisheries management to promote fisheries productivity.

- Identify and resolve conflicts, and improve coordination between the Marine Mammal Protection Act (MMPA), the Endangered Species Act (ESA) and fisheries. Determine the status of protected species. Monitor protected species "take" by fisheries and assess its significance. Implement protected species recovery plans. Reduce fishery and passive viewing impacts on protected species.

- Use authority of the Fish and Wildlife Coordination Act, Magnuson Act, Marine Mammal Protection Act, Endangered Species Act, Oil Pollution Act, Clean Water Act, Superfund, and other legislation to implement a cohesive strategy to protect and restore the habitat of living marine resources. Determine if artificial or restored habitat fulfills essential habitat needs of living marine resources. Encourage the restoration of habitats that have been adversely affected by habitat modifications to restore depleted stocks.

- Use international agreements to conserve living marine resources and their habitats. Establish and improve international agreements to promote scientific research and communication.

- Determine the impacts of aquaculture on habitat and wild populations, and methods to reduce adverse effects. Develop means to permit cultured products in the marketplace without jeopardizing conservation of wild stocks. Determine the potential for aquaculture to enhance recovery of protected species and depleted fisheries.

The Magnuson Fishery Conservation and Management Act (MFCMA) established exclusive U.S. jurisdiction over the living marine resources in the 2.2 million square miles of ocean area, known as the Exclusive Economic Zone (EEZ), generally within 200 nautical miles of the coastline of the U.S. and its territories. The MFCMA also authorizes habitat conservation, research, and stewardship of these resources. This Act was intended to ensure that fishing within the EEZ is conducted under sound, scientifically-based management and economic conditions. Under the MFCMA, U.S. commercial and recreational fishermen have right of access over foreign fishermen to resources within the EEZ. Through management decisions, government regulations, enforcement, and conservation activities, NOAA and the eight Regional Fishery Management Councils established by the MFCMA work with the states, industry, other Federal agencies, and other organizations to maintain and restore fishery resources and their habitats and to enhance the health of the U.S. fishing industries. These efforts require a continuous, stable flow of data, information, and analyses provided by NOAA, states, universities, and the international scientific community. Americanization of U.S. fisheries has resulted in the virtual elimination of foreign fishing in the EEZ in 1992.

In addition, other fishery resources, including tuna, swordfish, billfish, sharks, groundfish, scallops, and salmon, that range beyond the EEZ, and thus are harvested by the fishing fleets of the U.S. and many other countries, must be monitored and assessed. NOAA actively participates in international management efforts, such as the Pacific Salmon Commission, the North Atlantic Salmon Conservation Organization, the International Commission for the Conservation of Atlantic Tunas, the Inter-American Tropical Tuna Commission, the International North Pacific Fisheries Commission, the Commission for the Conservation of Antarctic Marine Living Resources, and the International Pacific Halibut Commission, to maximize U.S. access and to conserve these resources.

Most of this work is conducted by NMFS Regional Offices and Science Centers, with NOAA's fisheries research laboratories providing the scientific data for resource decision-making. The Secretary of Commerce is responsible for management of highly migratory species in the Caribbean Sea and off the Atlantic and Gulf coasts, and the Regional Fishery Management Councils are responsible for developing management programs for those species in the Pacific Ocean and for all other species found in the EEZ. Under authority delegated by the Secretary of Commerce, NMFS Regional Directors review proposed fishery management plans (FMPs) and approve or reject them, with the concurrence of the NOAA Assistant Administrator for Fisheries. There is also extensive consultation throughout this process between NMFS Regional Directors, who sit on the Councils, NMFS Science Directors, the Regional Councils and staffs, and the NMFS headquarters staff.

Fishery Management Programs: Commercial and recreational fisheries are managed to restore depleted stocks, to prevent overfishing and stock depletions, to protect fishery habitats from further degradation and pollution, to increase domestic harvests, and to maintain optimum yields. Additional resources are required to maintain these critical on-going activities.

The Regional Fishery Management Councils have the major responsibility for developing FMPs for domestic and foreign fisheries in the EEZ. The Councils also evaluate estuarine and freshwater issues affecting managed species under their purview. NOAA provides the Councils with technical and administrative assistance and financial support to develop, monitor, and amend FMPs. Each existing plan may have one or more amendments per year. Each year, Councils review applications for fishing permits from foreign countries, conduct more than 200 public hearings and meetings, estimate yields, and determine the total allowable level of domestic and foreign fishing for each fishery under management within their jurisdiction. NOAA reviews management plans developed by the Councils to ensure compliance with the MFCMA and other applicable laws, implements these plans through promulgation and enforcement of regulations, issues permits, and collects fees for foreign fishing conducted under such plans. Current estimates are that six new FMPs will be developed by the Councils in FY 1993, as well as a large number of amendments in both FY 1993 and FY 1994. Permit fees and poundage fees collected by NOAA from foreign countries currently are deposited in the General Fund of the U.S. Treasury. NOAA, in addition to providing oversight of fisheries management programs, develops national policy and legislative initiatives to guide the management of the Nation's fisheries.

Under the 1990 MFCMA amendments, the Secretary of Commerce is directly responsible, as of January 1, 1992, for the development and implementation of fishery management plans (FMPs) for any highly migratory species fisheries in the Atlantic Ocean, Gulf of Mexico, or Caribbean Sea. The MFCMA requires the Secretary to identify research and information priorities, including observer requirements and necessary data collection and analysis for the conservation and management of highly migratory species, especially tunas, swordfish, billfish, and sharks. Unlike other fisheries, where a Regional Fishery Management Council develops the FMPs, NMFS will prepare the FMPs for these fisheries on behalf of the Secretary.

U.S. fisheries that extend beyond the EEZ are managed under several treaties and international agreements. Currently, there are nine international fishery management agreements, involving over 50 countries, that focus on species such as halibut, tuna, and salmon. NOAA monitors significant fishery activities in foreign countries to determine the effects on U.S. interests. Information on foreign fishing practices, policies, and programs is obtained through United Nations Food and Agriculture Organization bulletins and reports, translations and reviews of technical and industrial literature, discussions with international fishery officials, and communications with U.S. diplomatic officers. Additionally, foreign fishing within the EEZ is assessed. Information on these activities is used by NOAA and the Department of State to negotiate and implement international fishery agreements and to determine which foreign countries will be allowed to harvest surplus U.S. fishery resources (i.e. those not fully utilized by U.S. fishermen within the EEZ). Negotiations and fishery allocation decisions occur throughout each fishing year and require continuous assessments of domestic and foreign fishing efforts. Currently, however, domestic fishing has almost completely supplanted foreign fishing in the EEZ, thus achieving one of the goals of the Magnuson Act to promote U.S. economic interests and Americanize the U.S. fisheries.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Fishery Management Plans (FMPs) implemented (cumulative)	33	39 1/	39
Preliminary Fishery Management Plans (PMPs) implemented (cumulative)	6	4	4
FMP amendments	171	191	211
PMP amendments	19	23	23
Number of overfishing definitions (cumulative)	29	36	42
Number of International Conservation Programs negotiated or extended	18	18	15

1/ Includes Atlantic sharks, Atlantic bluefin tuna, South Atlantic shrimp, and Caribbean queen conch.
2/ Includes tilefish, Gulf of Mexico butterfish, Caribbean corals, monkfish, Alaska sea scallops and Atlantic herring.
3/ Assumes Atlantic billfishes and sharks PMP becomes unnecessary.
4/ Includes PMP amendments to define overfishing.
5/ The global driftnet moratorium should obviate the need for related monitoring and enforcement agreements.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Fisheries Management Programs	Pos.\BA	163	$36,547	163	$36,200	0	($347)
	FTE\Obl.	157		157			

NOAA requests a net decrease of $347,000 for fisheries management programs activities.

Program Increase (+0 FTE, +$957,000): NOAA requests an increase of $957K to maintain critical current operations. This funding is necessary to maintain support for the continued implementation and updating of existing fishery management plans. Funding will be used to continue the support of the five fishery management offices in the NMFS Regions and operational support of the eight Regional Fishery Management Councils. Such funding is necessary to avoid a significant downsizing of NMFS fisheries management programs activities involving about 21 employees. This downsizing would result in a delay in the development of Fisheries Management Plans and amendments by the Councils, as well as a delay in the Secretary's review of such plans. Reauthorizations of the MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagic management), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus, it is critical for this funding to be provided.

Measures of Performance

	1994	1995	1996	1997	1998
Fishery Management Plans (FMPs) implemented, cumulative	42	42	42	42	42
Fishery Management Plans Amendments, cumulative	211	211	211	211	211
Number of overfishing definitions, cumulative	42	42	42	42	42

(Dollar amounts in thousands)

Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	957	957	957	957	957
Total	957	957	957	957	957
Budget Authority	957	957	957	957	957
Outlays	555	823	957	957	957
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: Conversation and Management
Program Change: Fisheries Management Program

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	141
24	Printing and reproduction	26
25	Other services	257
26	Supplies and materials	39
31	Equipment	51
32	Lands and structures	103
33	Investments and loans	
41	Grants, subsidies and contributions	443
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	957

Program Decreases: Decreases totalling $1,304K are requested in the following low priority programs that are not necessary to meet essential program needs or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

Beluga whale committee	0/-$1,928	Columbia River smolt/squawfish	0/-$112
Pribilof Islands	0/-$300	International Fisheries Commission	0/-$700

A decrease of $192,000 is requested for the Beluga whale committee. The Administration's proposed management program is sufficient to meet high priority protected species management needs. This supplemental funding is not required.

A decrease of $112,000 is requested for Columbia River smolt/squawfish survival research. This work is not essential to meet priority program mission requirements.

A decrease of $300,000 for Pribilof Islands is requested. This funding was a one-time measure to meet emergency fuel needs in the islands.

A decrease of $700,000 for International Fisheries Commissions is requested. This program covered $200,000 for the Great Lakes Fishery Commission to assist the State of Vermont in sea lamprey control, and $500,000 for the Great Lakes Fishery Commission to assist other states in sea lamprey control. These activities are more appropriately the responsibility of the Department of the Interior. This decrease will maintain funding of $400,000 for the Pacific Salmon Commission to carry out its obligations under the Pacific Salmon Treaty with regard to the transboundary rivers - - the Taku, Stikine and Alsek rivers.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: Conservation and Management
Program Change: Fisheries Management Program

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(412)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(892)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	Direct obligations	(1,304)

Protected Species Management: These activities use scientific information provided from research on the biology of protected species as the basis for protected species management and conservation. NOAA is required, under three principal Acts relating to protected species -- the Marine Mammal Protection Act of 1972 (MMPA), the Endangered Species Act of 1973 (ESA), and the Fur Seal Act -- to evaluate and minimize the effects of human activities on marine, estuarine, and anadromous species.

The MMPA established a national policy for protecting and conserving marine mammals by imposing a moratorium, with certain exceptions, on the taking or importing of marine mammals and marine mammal products. NOAA shares the responsibility for implementing the MMPA with the Department of the Interior and is responsible for more than 100 species of whales, porpoises, seals, and sea lions. NOAA administers the moratorium by developing and implementing procedures to reduce the mortality of marine mammals during domestic and foreign commercial fishing operations, Outer Continental Shelf development, and other activities affecting these animals. In 1988, the MMPA was amended to establish the Interim Exemption for Commercial Fisheries (Interim Exemption), which governs the taking of marine mammals during commercial fishing operations. The primary objective of the Interim Exemption is to provide a temporary means for collecting reliable data about marine mammal interactions with commercial fisheries while allowing commercial fishing to continue. The Interim Exemption applies to U.S. commercial fishing vessels and foreign fishing vessels with permits issued under the Magnuson Fishery Conservation and Management Act. The amendments require observer coverage on domestic fishing vessels in fisheries in which there is a high level of interaction between the fishing operations and marine mammals. NOAA began implementation of this program in 1989 and achieved observer coverage in all eleven Category I fisheries in FY 1990 and FY 1991. The Interim Exemption expires on October 1, 1993, at which time a new regime governing interactions between marine mammals and commercial fishing operations will be implemented by NOAA. Obtaining marine mammal abundance estimates and stock identification work are likely to be vital components of the new regime. NOAA processes applications for the taking or importing of marine mammals and conducts public hearings on these applications. Since 1972, 1,135 scientific research and public display applications have been received, and 796 permits have been issued as of December 31, 1992. Approximately 60 applications for permits are processed and 44 permits are issued each year.

A program was established in 1992 to set up a National Marine Mammal Tissue Bank and improve management information that can be obtained from stranded animals. Marine mammal tissues will be collected and stored in the Tissue Bank utilizing rigorous protocols. The tissues will provide baseline data on levels of contaminants in marine mammals. Stored tissues can be utilized to compare present and past conditions and as an indicator of changes in the marine environment. The Tissue Bank will help to determine if human contaminants are affecting marine mammals and contributing to population declines or unusual mortalities. In order to help researchers draw conclusions from results, a quality assurance program has been established that includes preparation of standard reference materials. NOAA is working with state and local officials and with private sector volunteers to upgrade the capacity of the marine mammal and sea turtle stranding networks. In addition to generating scientific information on marine mammals, improvements will assist in detecting and determining the causes of unusual mortality events.

NOAA is responsible for implementing several international agreements concerning marine mammals, including the International Convention for the Regulation of Whaling, and participates in numerous international negotiations concerning these and other marine mammal agreements.

NOAA also is responsible for the management, conservation, and recovery of 30 marine species listed as threatened or endangered under the ESA. An additional 51 species are estimated to be candidates for listing as of the end of FY 1993. Through interagency agreements, NOAA cooperates with the Department of the Interior in listing, protecting, and controlling the importation of threatened or endangered marine species into this country. NOAA also promulgates and administers regulations; reviews state laws, regulations, and management programs for compliance with Federal regulations; monitors certificates to allow limited interstate commerce in certain whale oil and scrimshaw products; and reviews applications and issues permits for scientific research and propagation activities. NOAA provides public education and information services on protected species; participates in regional networks for stranded mammals and turtles with universities, state agencies, and private organizations; develops species recovery programs; consults with other Federal agencies; and develops biological opinions under Section 7 of the ESA to help Federal agencies ensure that their activities are not likely to jeopardize the continued existence of listed species or their critical habitats.

Large-scale driftnet fisheries on the high seas for salmon, squid, tuna, and billfish rapidly expanded in the Pacific and elsewhere during the last ten years. The United States is concerned especially with the interception of valuable U.S.-origin salmon and steelhead trout and bycatches of marine mammals, sea birds, and sea turtles by these fisheries in the North Pacific. Over 800 driftnet vessels from Korea, Taiwan, and Japan fish in the Pacific, mainly for squid and tuna/billfish. The Driftnet Impact Monitoring, Assessment, and Control Act of 1987 requires the Secretary of Commerce, through the Secretary of State, to negotiate cooperative agreements with those countries conducting high-seas driftnet fisheries that take U.S. marine resources in the North Pacific Ocean. In the South Pacific, concerns over the status of albacore stocks due to driftnet fishing led to the Wellington Convention, which was signed by 13 nations, including the United States. In 1989, the United Nations General Assembly (UNGA) adopted a driftnet resolution calling for no further expansion in high-seas driftnet fishing, and setting dates for a review of all driftnet data and the worldwide cessation of driftnet fishing, unless effective conservation and management measures were taken. At the end of 1991, based largely on NOAA data collections and analyses, the UNGA passed a new resolution calling upon members to reduce by 50 percent fishing effort in existing large-scale pelagic high seas driftnet fisheries by June 30, 1992; to implement a global moratorium on all large-scale pelagic driftnet fishing on the high seas of the world's oceans and seas by December 31, 1992; and requesting the Secretary General to submit a report on the implementation of the present resolution to the General Assembly. The United States seeks to extend the provisions of bilateral driftnet agreements that set time and area restrictions in the North Pacific driftnet fisheries and provide for their enforcement in order to minimize the take of U.S.-origin salmonids in the interim before driftnet fishing ceases; to put in place international and domestic agreements and arrangements to ensure that the moratorium is fully implemented; and to continue the assessment of the impact the fishery already has had on North Pacific living marine resources as a basis for fashioning necessary conservation programs.

NOAA manages the fur seal herd located in the Pribilof Islands, authorized by the Fur Seal Act of 1966, as amended (P.L. 98-129), and conducts supporting research under the protected species biology program. NOAA also contributes to the retirement fund established by the Fur Seal Act for Aleuts. A $20 million trust fund was established with the State of Alaska in 1983 for the benefit of the residents of the Pribilof Islands. The trust fund provides capital to allow for transition from a Federally-supported economy to a self-supporting fishing and tourism-based economy.

Additional resources are required to maintain these critical on-going protected species management activities.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Percent observer coverage for Category I fisheries 6/	100%	100%	N.A.7/
Number of reports received from Category I and II vessels 6/	12,000	12,000	N.A.7/
Number of species petitioned for or candidates for listing as endangered/threatened	52	51	53
Number of species removed or de-listed from the endangered/threatened species list	1	0	0
Number of species added or listed to the endangered/threatened species list	2	3	2
Number of species on endangered/threatened list under NMFS purview	30	33	36
Number of recovery plans developed (cumulative)	10	10	11
Protected species permits and agreements monitored	485	525	525
Marine mammal exemptions 6/	12,000	12,000	N.A.7/

6/ Under the Marine Mammal Protection Act, all fisheries are placed in one of three categories, based on the frequency of incidental takes of marine mammals by commercial fisherman in each fishery. Category I contains those fisheries with frequent incidental takes; Category II contains those fisheries with occasional incidental takes; Category III contains those with remote likelihood or no known incidental takes. Vessels in a Category I or Category II fishery must obtain an exemption certificate and regularly compile information and file a report about marine mammal incidental takings. Vessels in a Category I fishery must also take an observer, if required by NOAA. The interim exemption program expires in 1993.

7/ Requirements for the activities expire in FY 1993; therefore these activities are assumed to cease, pending specific reauthorization.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Protected Species Management	Pos.\BA	172	$16,885	$172	$16,507	0	($378)
	FTE\Obl.	166		$166			

NOAA requests a net decrease of $378,000 for protected species management activities.

Program Increase: (+0 FTE, +$418,000): NOAA requests an increase of $418K to maintain critical current operations. This funding is essential to maintain the conservation and management of marine mammals and sea turtles under the ESA and MMPA including the issuance of incidental take permits. Funding will be used to continue the development and implementation of recovery plans for species currently listed as threatened or endangered. Such funding is necessary to avoid a significant downsizing of NMFS protected species management activities involving about 9 employees. This downsizing would result in delays in the development of a new marine mammal exemption program that, in turn, may affect commercial fishing operations and delays in issuing permits for research and incidental take, as well as an inability to develop and/or implement ESA recovery plans on a timely basis for many species of Pacific salmon, sea turtles, dolphins, whales and seals, thus potentially resulting in the loss of such species. In addition, there could be a potentially devastating economic impact on the Nation's hydropower, agricultural, forestry and commercial and recreational fishing industries as a result of excessively restrictive conservation measures necessitated by the absence of scientific information on endangered species needed to develop and implement recovery plans. Reauthorizations of the MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., responsibility to prepare a plan governing marine mammal/fisheries interactions), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus, it is critical for this funding to be provided.

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	418	418	418	418	418
Total	418	418	418	418	418
Budget Authority	418	418	418	418	418
Outlays	242	359	389	418	418
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	National Marine Fisheries Service
Subactivity:	Conservation and Management Operations
Program Change:	Protected Species Management

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	71
24	Printing and reproduction	13
25	Other services	129
26	Supplies and materials	19
31	Equipment	26
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	160
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	Direct obligations	418

Program Decreases: Decreases totalling $796K are requested in the following low priority programs that are not necessary to meet essential program needs, or given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

(Dollar amounts in thousands)

Fishery observer training	0/-$96	East Coast Observers	0/-$700

A decrease of $96,000 is requested for Fishery observer training. This funding was intended to develop a pilot observer training program at the University of Alaska. Funding for the on-going support of this university-run program is more appropriately a state responsibility

A decrease of $700,000 is requested for the East coast observers program. The Administration's proposed data collection program is sufficient to meet essential conservation and management information needs.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	National Marine Fisheries Service
Subactivity:	Conservation and Management Operations
Program Change:	Protected Species Management

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(700)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(96)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	Direct obligations	(796)

Habitat conservation: Habitat protection and restoration activities are vital to the conservation, long-term survival, and health of living marine resources, especially those important to U.S. commercial and recreational marine fisheries.

NOAA carries out habitat protection through review of the ecological impacts of proposed Federal actions that would affect the habitat of anadromous (e.g., salmon and steelhead), estuarine, and marine resources. This is done under authority of the Fish and Wildlife Coordination Act, the Federal Power Act, the National Environmental Policy Act, the Clean Water Act, and other legislation. In addition, the Magnuson Fishery Conservation and Management Act gives authority for NOAA and the eight Regional Fishery Management Councils to influence Federal decisions affecting important fisheries habitats. Under these consultative powers, analyses and recommendations are provided on Bureau of Reclamation and U.S. Army Corps of Engineers' construction projects, Corps permit applications for dredging and filling wetlands, Federal Energy Regulatory Commission licenses for hydroelectric power plant construction, and Environmental Protection Agency contaminant discharge permits.

The program annually evaluates about 10,000 such Federal projects, wetlands permits, hydroelectric project license applications, and project license applications, and proposed outer continental shelf oil and gas development projects. In 1992, permit applications affected over 39,000 acres of coastal habitats with fishery values estimated in excess of $12 million in terms of commercial and marine recreational fishery harvests. NOAA also evaluates and provides technical assistance on fisheries matters important to state coastal zone management plans, special area management plans, and proposed marine sanctuaries and estuarine research reserves. These consultations minimize or eliminate adverse effects on marine fish populations by proposing scientifically sound alternatives and mitigation efforts designed to maintain the Nation's coastal environment.

In FY 1991, the NOAA Restoration Center (RC) was established to provide in-house expertise and coordination for restoration and habitat research. The RC worked with other NOAA components, as a participant of the Damage Assessment and Restoration Program (DARP), to develop appropriate restoration methods. The Center leads the planning, implementing, and monitoring of case-specific programs to restore NOAA trust resources after successful settlement of natural resource damage claims. The Center is responsible for administering the NOAA-Army agreement to increase marine fisheries productivity and advance habitat restoration technology, in cooperation with the Corps of Engineers Civil Works Program. It is also responsible for oversight of NMFS activities as part of Congressional initiatives (e.g., the Coastal Wetland Planning, Protection and Restoration Act).

During FY 1994, NOAA will continue its habitat protection and restoration capabilities. The purpose is to strengthen the effectiveness of habitat consultative powers through emphasizing research and management coordination, providing high quality scientific advice early in permit and license planning processes, working directly with developers in designing permit or license applications, supporting the Regional Fishery Management Councils in developing their positions on specific projects and issues, and increasing overall habitat conservation awareness within Federal construction and permit-granting agencies, and state and local agencies.

During the same period, the Restoration Center will support efforts by NOAA to build natural resource damage assessment claims against potentially responsible parties under statutes including CERCLA and the Oil Spill Act of 1990, use awarded damages to restore, replace, or acquire the equivalent of resources injured, and develop national expertise and institutional focus on habitat restoration through basic and applied studies.

Additional resources are required to maintain these critical on-going habitat conservation activities.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Total number of COE and other projects evaluated by NMFS, cumulative .	7,100	7,100	7,100
Total number of NOAA/COE agreement projects supported, cumulative . . .	4	4	4
Total number of DARP cases settled and/or restorations begun, cumulative .	6	6	6

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Habitat Conservation	Pos.\BA	81	$5,761	$81	$6,306	0	$545
	FTE\Obl.	78		$78			

NOAA requests an increase of $545,000 for habitat conservation activities.

Program Increase: (+0 FTE, +$545,000): NOAA requests an increase of $545K to maintain critical current operations. This funding is essential to maintain the activities associated with the protection of productive fishery habitat. Funding will be used to continue permit reviews and provide comments on Corps of Engineer and FERC permits in order to mitigate the destruction of productive fishery habitat. Such funding is necessary to avoid a significant downsizing of NMFS habitat conservation activities involving about 12 employees. Without this funding, delays would occur in the provision of comments on permitting actions, thus allowing greater loss of productive habitat and adversely affecting fish, marine mammal and sea turtle populations. Moreover, NMFS would not be able to support the habitat restoration activities agreed to in a 1991 cooperative agreement between NOAA and the Department of the Army to restore and create fishery habitat, thus exacerbating coastal fishery habitat loss. Reauthorizations of the MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., responsibility to work with the Corps of Engineers to prepare mitigation alternatives), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus, it is critical for this funding to be provided.

	1994	1995	1996	1997	1998
Measures of Performance					
Total number of COE and other projects evaluated by NMFS, cumulative	7,113	7,113	7,113	7,113	7,113
(Dollar amounts in thousands)					
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	545	545	545	545	545
Total	545	545	545	545	545
Budget Authority	545	545	545	545	545
Outlays	316	469	507	545	545
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: Conservation and Management Operations
Program Change: Habitat Conservation

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	88
24	Printing and reproduction	16
25	Other services	
26	Supplies and materials	161
31	Equipment	24
32	Lands and structures	32
33	Investments and loans	
41	Grants, subsidies and contributions	224
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	545

Enforcement and surveillance: Activities support the enforcement of existing laws and regulations, key elements of a credible management effort designed to support the growth and stability of the domestic fishing industry. NOAA enforcement agents investigate violations of Federal laws and regulations under the MFCMA, MMPA, ESA, Lacey Act, and other Federal statutes and international agreements relating to living marine resources.

Enforcement agents are charged with ensuring that foreign and domestic fishing vessels are operating in accordance with fishery management requirements. They investigate the unlawful interstate transportation or importation of contaminated fish, shellfish, and wildlife. Some of this work is conducted in cooperation with the U.S. Customs Service and the U.S. Fish and Wildlife Service. NOAA also protects living marine resources by investigating illegal importation or interstate transportation of parts or products of protected species. Agents conduct the full range of investigative activities, such as the gathering of evidence and information, seizure of contraband, and management of operating funds for covert operations and undercover activities. Enforcement and surveillance activities involving fishing vessels are planned and conducted in cooperation with the U.S. Coast Guard, which provides aerial and surface patrol craft. NOAA also charters aircraft to supplement the Coast Guard's effort and enters into cooperative agreements with state enforcement agencies. These actions reduce the illegal harvesting and taking of fishery resources and protected species. Surveillance activities also provide information about catches and fleet movements that is used to manage domestic and foreign fisheries and support international negotiations. Additional resources are required to maintain these critical on-going enforcement and surveillance activities.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of operations performed in cooperation with other Federal/state entities	350	350	350
Number of violations reported	2,950	3,000	3,600
Number of violations resulting in conviction	2,275	2,275	2,275

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Enforcement and Surveillance	Pos.\BA	143	$11,150	$143	$12,637	0	$1,487
	FTE\Obl.	138		$138			

NOAA requests an increase of $1,487,000 for enforcement and surveillance activities.

Program Increase: (+0 FTE, +$1,487,000): NOAA requests an increase of $1,487K to maintain critical current operations. This funding is essential to maintain the activities associated with the enforcement of existing laws and regulations under the MFCMA, ESA, MMPA, Lacey Act and other statutes. Such funding is necessary to avoid a significant downsizing of NMFS enforcement and surveillance activities involving about 33 employees. Without this funding, the number of enforcement agents and dockside enforcement personnel would have to be reduced, thus adversely affecting NOAA's monitoring of industry activities and compliance with fishery management laws and regulations. Reauthorizations of the MFCMA, ESA, and MMPA are pending in FY 1993 and may lead to additional requirements, such as those required by previous reauthorizations (e.g., responsibility to enforce additional fishing restrictions), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. Thus, it is critical for this funding to be provided.

Measures of Performance	1994	1995	1996	1997	1998
Number of operations performed in cooperations with other Federal/State entities	391	391	391	391	391
Number of violations resulting in conviction	2,300	2,300	2,300	2,300	2,300

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,487	1,487	1,487	1,487	1,487
Total	1,487	1,487	1,487	1,487	1,487
Budget Authority	1,487	1,487	1,487	1,487	1,487
Outlays	862	1,279	1,383	1,487	1,487
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Marine Fisheries Service**
Subactivity: **Conservation and Management Operations**
Program Change: **Enforcement and Surveillance**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	212
24	Printing and reproduction	39
25	Other services	386
26	Supplies and materials	58
31	Equipment	77
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	715
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	1,487

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Services
Subactivity: State and Industry Assistance Programs

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Grants to States	Pos./BA	1	$7,124	0	$10,928	0	$5,745	0	$5,559	0	($186)
	FTE/Obl.	1	7,008	0	11,079	0		0		0	
Fisheries Development Program	Pos./BA	223	18,101	224	17,568	220	17,713	220	17,954	0	241
	FTE/Obl.	215	16,773	216	19,461	212		212		0	
Total	Pos./BA	224	25,225	224	28,496	220	23,458	220	23,513	0	55
	FTE/Obl.	216	23,781	216	30,540	212		212		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Marine Fisheries Service**
Subactivity: **State and Industry Assistance Programs**

Goal Statement

Conduct state and industry assistance programs to support National Marine Fisheries Service (NMFS) strategic plan goals to rebuild overfished marine fisheries, maintain currently productive fisheries, improve seafood safety, protect living marine resource habitat, improve the effectiveness of international fisheries relationships, and encourage U.S. aquaculture.

Proposed Legislation

Legislation is proposed to reauthorize the Magnuson Fishery Conservation and Management Act (MFCMA), P.L. 94-265, the Endangered Species Act (ESA), P.L. 95-362, and the Marine Mammal Protection Act (MMPA), P.L. 100-711, as well as other statutes relating to the responsibilities described in this subactivity.

Base Program

The objectives of this subactivity are to:

- Provide cost-sharing grants to states to conduct research, collect and analyze data, and to support interjurisdictional fishery management.
- Carry out a product safety and quality program with emphasis on reducing human health risks from microbial, biotoxin, and chemical sources in fish and shellfish, enhancing Federal/state seafood inspection programs, and establishing mechanisms other than inspection to reduce human health risks from seafood consumption.
- Improve the terms of competitive trade for the U.S. fishing industry in international markets by addressing tariff and non-tariff barriers through multilateral and bilateral mechanisms.

The Magnuson Fishery Conservation and Management Act (MFCMA), the American Fisheries Promotion Act of 1980, and the Fish and Seafood Promotion Act of 1986 encourage the full use of available fishery resources by the U.S. fishing industry. In joint government/industry efforts to use the renewable resources for the benefit of the Nation, it is industry's role to catch, process, and market these resources. Government efforts focus on the safety of seafood and government-to-government trade relations.

Grants to states: Grants to states are authorized under the Interjurisdictional Fisheries Act of 1986 (P.L. 99-659, Title III) and the Anadromous Fish Conservation Act of 1965 (P.L. 89-304).

The goals of the formula-based, matching fund Interjurisdictional Fisheries Act grants program are to promote state activities that support interjurisdictional fisheries management and to encourage the management of resources throughout their range, recognizing that many species spend a substantial portion of their life cycle in state waters and state-controlled habitat and nursery areas. Funds are apportioned to states based on the value and volume of commercial landings by domestic fishermen. States submit research programs for Federal funding approval through state management agencies or Interstate Marine Fisheries Commissions that support management of a fishery which occurs in waters under the jurisdictions of one or more states and the U.S. EEZ, for which there exists an interstate fishery management plan. States also submit programs for funding approval to conduct research on resources that migrate between the waters under the jurisdictions of two or more states. States bordering on the Great Lakes also may request funding support for fisheries research. This program also funds projects to alleviate resource disasters, such as hurricane damage to oyster beds, and to enforce interjurisdictional fisheries regulations.

The Anadromous Fish Conservation Act of 1965 (P.L. 89-304) authorizes NOAA to make grants to conserve, develop, and enhance the Nation's anadromous fisheries resources, including fish in the Great Lakes, that return up rivers to spawn. This Act is administered jointly with the Department of the Interior's Fish and Wildlife Service. Federal funds of up to 50 percent of project costs (or up to 66 2/3 percent for multi-state projects or up to 90 percent for projects supporting interstate fishery management plans) may be provided to state fisheries agencies, universities, and other non-Federal participants in the 31 states bordering the oceans and Great Lakes. Pacific coast hatcheries built or operated by these grants annually produce over 10 million young salmon and steelhead trout and have saved 10 to 12 million salmon annually from irrigation systems. This program also includes grant-in-aid support for striped bass research which is specifically designed to identify causes of the decline in striped bass stocks.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Grants to States	Pos.\BA	0	$5,745	$0	$5,559	0	($186)
	FTE\Obl.	0		$0			

NOAA requests a decrease of $186,000 for grants to states activities.

Program Decrease: A decrease of $186,000 is requested for the Anadromous Fishery Project . The Administration's proposed research program is sufficient to meet high priority information needs for fisheries management. Thus, this supplemental funding is not needed.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Marine Fisheries Service
Subactivity: State and Industry Assistance Programs
Program Change: Grants to States

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(186)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(186)

Fisheries development program: Under its fisheries development program, NOAA carries out a product safety and quality program in cooperation with other Federal and state agencies and addresses trade issues related to fish and seafood on an interagency basis, working with the International Trade Administration of the Department of Commerce, the Office of the U.S. Trade Representative (USTR), the seafood industry, and the environmental community.

NOAA's product safety and quality program is carried out primarily through its research laboratories located: in Gloucester, MA; Charleston, SC; Pascagoula, MS; Seattle, WA; and Kodiak, AK. The program has two major interrelated components -- inspection support and risk management research, which together constitute NOAA's primary involvement in reducing public health risks associated with the harvesting, processing, distribution, and consumption of fish and shellfish.

Inspection support activities are focused on applying Hazard Analysis Critical Control Point (HACCP) concepts to NOAA's traditional seafood inspection activities and the new voluntary joint seafood inspection program under development by NOAA and the Food and Drug Administration. NOAA also is revising its Federal/state inspector training and product standard development activities to conform with the requirements of a HACCP-based program and is upgrading its capability to monitor safety hazards in seafood products.

NOAA's seafood risk management research addresses priority public health problems (i.e. marine biotoxins, pathogenic microorganisms, and chemical contaminants associated with seafood). The focus of the research activities is on: (1) the development of improved detection methodologies for use by regulatory personnel and the seafood industry; (2) the development of risk assessment data bases for use by seafood inspectors and fishery managers in addressing seafood safety issues; and, (3) development of seafood manufacturing practices that will minimize risks to consumers.

Given the opportunities to expand trade and competitiveness and the use of trade measures to support conservation objectives, NOAA ensures that policy makers have the best information possible to evaluate the impacts of decisions. NOAA is responsible for formulating strategy and positions on fishery trade for bilateral and multilateral negotiations and participates as the Department's fishing industry sector staff. Activities include providing technical expertise and negotiating skills in Uruguay Round and North American Free Trade Agreement negotiations, and bilateral efforts to reduce trade barriers (e.g., with Japan, Korea, and the European Community). Bilateral negotiations with Japan have resulted in increases in their pollock surimi, pollock roe, herring, cod, mackerel, and squid quotas. U.S. exports of these items to Japan have grown from about $100 million in 1987, when the annual NOAA-Fisheries Agency of Japan bilaterals began, to an estimated $754 million in 1992. NOAA also provides support for USTR's bilateral trade negotiations with Korea and Taiwan and conducts regular technical bilateral discussions with Canada and the European Community.

In addition, NOAA provides support for actions under U.S. trade law, such as protection from import injury and retaliation for unfair trade practices. NOAA also assists the Department's U.S. and Foreign Commercial Service activities in foreign countries promoting U.S. exports and USDA food programs which purchase and distribute eligible seafood products domestically and internationally.

Additional resources are required to maintain these critical on-going activities.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of new or revised product specifications and standards	3	4	4
Number of voluntary seafood inspection participants monitored	245	287	315
Number of fish samples analyzed to develop new inspection methods	211	300	300
Number of fish samples analyzed to develop new fish identification methods	1,038	1,500	1,500
Product quality and safety research manuscripts produced	4	5	4
Number of operations to which the HACCP [1] inspection technique has been applied	2	40	40
Number of new CCF [2] agreements	226	200	200
Number of Saltonstall-Kennedy grants closed out	35	97	46

[1] Hazard Analysis at Critical Control Points.

[2] Capital Construction Fund.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Fisheries Development Program	Pos.\BA	220	$17,713	$220	$17,954	0	$241
	FTE\Obl.	212		$212			

NOAA requests a net increase of $241,000 for fisheries development program activities.

Program Increase (+0 FTE, +$1,009,000): NOAA requests an increase of $1,009K to maintain critical current operations necessary to continue adequate support for seafood safety programs and trade activities. Funding will be used to continue to support trade negotiations and research at certain fisheries laboratories associated with seafood inspection and product quality and safety issues. Such funding is necessary to avoid a significant downsizing of NMFS fisheries development program activities involving about 25 employees and the closure of certain NMFS facilities. Without this funding, implementation of the HACCP-based seafood inspection program would be delayed and the agency's ability to support industry and other Federal agencies in the areas of GATT and trade and the environment would be eroded.

Measures of Performance	1994	1995	1996	1997	1998
Number of voluntary seafood inspection participants monitored	330	330	330	330	330
Product quality and safety research manuscripts produced	10	10	10	10	10
Number of operations to which HACCP inspection techniques has been applied	100	100	100	100	100
Number of CCF agreements	400	400	400	400	400
Number of S-K grants closed out	60	60	60	60	60

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,009	1,009	1,009	1,009	1,009
Total	1,009	1,009	1,009	1,009	1,009
Budget Authority	1,009	1,009	1,009	1,009	1,009
Outlays	585	868	938	1,009	1,009
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**National Marine Fisheries Service**
Subactivity:	**State Industry Assistance**
Program Change:	**Fisheries Development Program**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	159
24	Printing and reproduction	29
25	Other services	289
26	Supplies and materials	43
31	Equipment	58
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	431
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Total Obligations**	1,009

Program Decrease: A decrease of $768,000 is requested for Mahi Export Strategies/U.S. Asia Aquaculture Exchange Program. Continuation of this type of market analysis should be funded by industry.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Marine Fisheries Service**
Subactivity: **State and Industry Assistance Programs**
Program Change: **Fisheries Development Program**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(128)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(640)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(768)

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Oceanic and Atmospheric Research
Subactivity: Climate and Air Quality Research

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Interannual and Seasonal Climate Research	Pos./BA	52	$8,239	22	$7,909	22	$7,945	22	$7,945	0	$0
	FTE/Obl.	50	7,562	21	8,586	21		21		0	
Long-Term Climate and Air Quality Research	Pos./BA	235	25,479	290	25,042	285	26,079	285	31,075	0	4,996
	FTE/Obl.	227	25,479	279	25,042	274		274		0	
Climate and Global Change	Pos./BA	136	47,841	64	46,997	63	46,902	63	69,902	0	23,000
	FTE/Obl.	130	47,734	62	46,997	61		61		0	
National Climate Program	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0		0		0	
Total	Pos./BA	423	81,559	376	79,948	370	80,926	370	108,922	0	27,996
	FTE/Obl.	407	80,775	362	80,625	356		356		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Oceanic and Atmospheric Research**
Subactivity: **Climate and Air Quality Research**

Goal Statement

To increase our understanding of oceanic and atmospheric processes through monitoring and research, to develop a predictive capability, and to provide sound scientific advice to those charged with managing the Nation's oceanic and atmospheric resources.

Proposed Legislation

No legislation is proposed.

Base Program

Interannual and Seasonal Climate Research - The objective of this element is to develop a predictive capability for interannual and seasonal climate fluctuations for North America and scientifically important areas.

NOAA's Interannual and Seasonal Climate Research effort focuses on programs with a high probability of early and useful results. NOAA's scientists and external investigators focus on the El Nino/Southern Oscillation (ENSO) phenomenon in the equatorial Pacific. The ENSO results in large scale periodic variations in atmospheric circulation which occurs in cycles of approximately four years with intensities. It is characterized by changes in atmospheric pressure, wind patterns, and sea-surface temperature in the tropical Pacific which are correlated with Northern Hemisphere interannual and seasonal climate variation, e.g. temperature and precipitation. Predictions of seasonal climate fluctuations related to the ENSO are possible once these correlations are well defined and the physical processes are understood. NOAA organizations primarily involved in this effort include the Office of Global Programs and three of the Environmental Research Laboratories working in cooperation with NWS, NMFS, NOS, NESDIS, and scientists in universities and several foreign countries. NOAA's strategy is to: (1) acquire the essential data; (2) develop diagnostic and predictive models related to changes in the equatorial oceans; and (3) establish the relationship of those changes to widespread climate variations through data analysis and modeling. Specific research activities include:

- The international **Tropical Oceans-Global Atmosphere (TOGA)** program which tests the theory that large-scale periodic oscillations, particularly the ENSO, are the principal drivers of short-term climate variations over large portions of North and South America, Australia, and India. The World Meteorological Organization (WMO) is coordinating and managing this nine-country monitoring effort in the Pacific. For its part, NOAA is leading a multi-year monitoring program, which began in 1990, to observe the oceanic and atmospheric signatures of El Nino events. In FY 1994, NOAA intends to complete installation of a network of in-situ sensors in the Pacific to collect data for baseline conditions as well as during the ENSO. NOAA will continue developing ocean and coupled ocean-atmosphere numerical models to study and predict ENSO events and is conducting a research program to develop the capability for operational interannual climate forecasts based on the ENSO activity.

- NOAA's **Equatorial Pacific Ocean Climate Studies (EPOCS)** program, which supports TOGA by: (1) investigating the influence of ocean processes (primarily in the eastern tropical Pacific) on interannual climate variations and (2) improving projections of climate variations associated with the Southern Oscillation. NOAA seeks to develop the capability for real-time analyses and projections (in association with the National Meteorological Center/Climate Analysis Center) and for operational tropical ocean analyses using coupled ocean-atmosphere models. The research includes: (1) analysis of operational ocean circulation model simulations, (2) reanalysis of atypical occurrences of ocean-surface warming in the tropical Pacific, (3) field and analytical studies contributing to development of operational products, models, and empirical studies of tropical Pacific ocean-atmosphere interaction, (4) interrelation of tropical Pacific and middle-latitude climate anomalies, and (5) predictability of ENSO. Semiannual expeditions to the equatorial Pacific to measure equatorial currents, ocean surface and atmospheric parameters, and sea-level changes are part of an effort to establish an essential time-series data base.

- The **long-range weather and seasonal climate prediction** research program, which is developing and testing numerical models to predict monthly and seasonal climate variations based on the First Global Atmospheric Research Program Global Experiment data set.

- The **International Satellite Cloud Climatology Program (ISCCP)**, which collects meteorological-satellite imagery data in order to determine the effect of clouds on the Earth's radiation balance. The first step in ISCCP is to convert the vast quantity of satellite data into a form amenable to systematic analysis. This is a process that will continue into 1995.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	90	82	78
Technical publications	10	9	9
Conferences - NOAA presentations	24	22	21
Major field experiments	2	2	2
Experimental models/algorithms developed	2	2	2

Long-Term Climate and Air Quality Research - The objectives of this element are to establish a critical observational data base and a capability to analyze and predict changes in long-term climate and air quality due to natural and human causes, such as increasing atmospheric levels of radiatively important trace species and acid rain.

Trends in long-term climate and air quality are influenced by natural processes and human-induced modifications of these natural processes. Human activities may alter the natural cycles of change experienced by the Earth's climate by changing the global temperature and modifying atmospheric chemistry. The adverse effects of these changes are: (1) an enhancement of the "greenhouse effect" which may change global temperature and precipitation patterns, significantly affecting agriculture production worldwide; (2) a reduction in the ultraviolet shielding effect of the stratospheric ozone layer, significantly increasing the risk of skin cancer and potential damage to terrestrial and aquatic ecosystems; and (3) an increase in the acidity of precipitation and in oxidant levels at the Earth's surface, which in some areas has already damaged vegetation and made some lakes too acidic to sustain life.

NOAA monitors important atmospheric constituents and studies ocean dynamics and processes linked to global air quality and climate changes. NOAA's research programs focus on: (1) monitoring atmospheric greenhouse gases (e.g. carbon dioxide, methane), which affect the radiative heat balance; acidic precipitation and key natural sources of acidic and oxidizing gases (e.g., ozone); and aerosols that play important photochemical and chemically reactive roles; (2) determining the dynamics and transport of these chemical species in the atmosphere and oceans and their transport across the air/sea-surface interface; (3) evaluating their impact on climate and the global chemical balance; and (4) making measurements to determine the oceans' ability to absorb these gases over the long term, which may have a significant effect on long-term climate.

Through the continuation of the National Acid Precipitation Assessment Program (NAPAP), the Clean Air Act Amendments of 1990 endorse the role of NOAA in providing the atmospheric chemistry and transport research that supports the interagency NAPAP's efforts. NOAA operates acid deposition research networks that provide the standard against which routine monitoring networks are compared in the assessment of the status of national efforts to reduce acidic deposition. NOAA is also charged with investigating the role of natural emissions and processes which are covered by the Clean Air Act.

The principal NOAA organizations involved in this line item are six of OAR's Environmental Research Laboratories working in cooperation with NOS, ERL's joint institutes, other university scientists, and scientists from a number of foreign countries. Specific research activities include:

- **The Subtropical Atlantic Climate Studies (STACS) program** investigates transport of heat by ocean currents, which is a key element in the natural global processes affecting seasonal and long-term climate changes. An important part of STACS is developing monitoring techniques, such as the continuous recording of the variations in ocean currents and the corresponding heat transport. Field research is being conducted on the Florida and Antilles Currents by measuring voltage differences in a submarine cable.

- **The Geophysical Monitoring for Climate Change (GMCC) program** measures the long-term background concentrations of several key radiatively important atmospheric constituents, such as carbon dioxide, ozone, methane, water vapor, and chlorofluorocarbons that may influence the greenhouse effect. These compounds absorb and re-radiate heat emitted by the earth, thereby enhancing the greenhouse effect that may result in global warming. NOAA also monitors fluctuations and long-term changes in solar-radiation in the ultraviolet, optical, and infrared spectra, since these effect both long-term climate and atmospheric chemistry. In addition to the automated measurements of the better known atmospheric constituents affecting climate change, measurements will be taken for a few additional trace gas species that may play a role.

- **The Radiatively Important Trace Species (RITS) program** supports research and monitoring activities to understand the trends, sources, sinks, and behavior of species which occur in lower concentrations (such as nitrous oxide, methane, and chlorofluorocarbons) and to determine their climatic and chemical consequences. NOAA will continue its program to upgrade measurement programs for these compounds to better understand their global distribution, including sampling and field studies along ocean shipping lanes. Recognizing the importance of tropospheric ozone, NOAA will continue work to characterize the concentration and transport of ozone and ozone precursors in the troposphere, including work with other agencies and countries to establish a long-term monitoring network.

- **Climate modeling research** at the Geophysical Fluid Dynamics Laboratory (GFDL) uses numerical models of air and ocean systems to assess the sensitivity of these systems to changes in solar radiation, atmospheric and oceanic conditions, and trace substances. Ultimately, this research will lead to better predictions of climate variations by improved reliability of coupled ocean-atmosphere models. Ongoing work focuses on: global balances of heat, salinity, and carbon dioxide; seasonal variations in oceanic heat transport; and the response of tropical oceans to fluctuating winds in relation to the El Nino current phenomenon. NOAA is continuing to develop, test, and evaluate a more sophisticated three-dimensional dynamical, chemical, and radiative model to better simulate the response of global atmospheric chemistry and climate to changes in atmospheric concentrations of radiatively important trace species.

- **Atmospheric Chemistry and Transport research** focuses on understanding and modeling the chemical transformation, transport, and air-surface exchange of species linked to degraded air quality, such as atmospheric acids and surface ozone. NOAA aggressively pursues the role of natural emissions in the formation of surface ozone in rural areas, which, in high concentrations, can damage crops and forests. The formation, transformation, transport, and removal of atmospheric oxidants and acids and their precursors is investigated. Monitoring of wet and dry deposition and air quality at networks such as the National Trends and Global Trends Networks to establish trends continues to gain an understanding the causes for the observed trends. NOAA's air quality program continues to contribute to the reauthorized National Acid Precipitation Assessment Program (NAPAP) and the Clean Air Act Amendments of 1990 and can lead the way in providing the scientific expertise to aid regulators in meeting the set requirements and to enhance its contribution to the newly-continued NAPAP.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	90	84	84
Technical publications	12	11	11
Conferences - NOAA presentations	22	21	21
Workshops, Conferences, and Symposia Sponsored	2	1	1
Major field experiments	4	4	4
Experimental models/algorithms developed	6	6	6

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Long-Term Climate and Air Quality Research . .	Pos.\BA	285	$26,079	285	$31,075	0	$4,996
	FTE\Obl.	274		274		0	

NOAA requests an increase of $4,996,000 for activities in Long-Term Climate and Air Quality Research.

Program Increases: Maintain Critical Current Operations (+0 FTE, +$2,396,000): NOAA requests an increase of $2,396,000 to maintain critical components of ongoing research and monitoring programs. The funds will maintain the global greenhouse gas measurements program and address scientific issues associated with the Clean Air Act Amendments of 1990. Without those funds, NOAA will be forced to severely curtail these ongoing activities. On greenhouse gases, NOAA is providing the key measurements of atmospheric species such as carbon dioxide, methane, ozone and chlorofluorocarbons that are necessary both nationally (i.e. in developing US positions) and internationally (i.e. in the IPCC scientific assessments) for assessing the likelihood of global warming. Maintaining the current program and responding to the new demands of policy makers requires modest increases in available funds. The Clean Air Act Amendments (CAAA) of 1990 (P.L. 101-549) were signed into law on November 15, 1990. This law covers a suite of air-quality-related issues of widespread public concern, including smog, air toxics and acid deposition, and issues pertaining to the observed decrease in stratospheric ozone. The primary thrust of the law is to implement new standards on emissions, in two separate phases, with the aim of reducing these threats to the environment and human health. The Government must have a scientifically sound basis for making policy decisions on emissions controls and on which substances to use as substitutes for the current ozone-depleting chemicals, such as chlorofluorocarbons (CFCs). NOAA with its role of monitoring the atmosphere and forecasting changes in it, can provide the information necessary to assure that selected control strategies and CFC substitutes are both cost effective and successful in achieving the desired impact on the health of the atmosphere. In particular, research will determine processes involved in the formation of surface ozone in rural areas, continue an integrated monitoring network designed to understand the causes of air quality change, and evaluate the impact of methyl bromide and chlorofluorocarbon substitutes on the stratospheric ozone layer.

Measures of Performance

	1994	1995	1996	1997	1998
Scientific publications (refereed)	8	8	8	8	8
Technical publications	1	1	1	1	1
Conferences - NOAA presentations	2	2	2	2	2
Workshops, Conferences, and Symposia Sponsored	0	0	0	0	0
Major field experiments	0	0	0	0	0
Experimental models/algorithms developed	0	0	0	0	0
Cost:					
Direct Obligations					
Capitalized	$ 0	$ 0	$ 0	$ 0	$ 0
Uncapitalized	2,396	2,396	2,396	2,396	2,396
Total	2,396	2,396	2,396	2,396	2,396
Budget Authority	2,396	2,396	2,396	2,396	2,396
Outlays	1,390	2,061	2,228	2,396	2,396
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Climate and Air Quality Research
Program Change: Maintain Critical Current Operations

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	300
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	1,196
26	Supplies and materials	300
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	600
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	2,396

High Performance Computing and Communications (+$2,600,000): NOAA requests an increase of $2,600,000 as an investment to implement the DOC/NOAA component of the Federal High Performance Computing and Communications (HPCC) Initiative. The investment request is contingent upon enactment of an omnibus reconciliation act that contains the President's deficit reduction package. The goals of this activity are to improve the Nation's ability to forecast weather and predict climate change, while, at the same time, stimulating gains in U.S. industrial competitiveness through the use of evolving high performance computing and high speed networking technologies.

These resources will be used to develop, test, and evaluate advanced global change and weather modeling software on leading-edge parallel processing computer systems and to improve the accessibility of both advanced computing and environmental data resources through the use of high speed computer networking, including use of the National Research and Education Network (NREN).

The Nation has long-standing and increasingly stringent requirements for accurate and timely short-term weather warnings, seasonal forecasts, and regional and global climate predictions which are heavily dependent on major advances in high-end computing power and to the widespread availability of environmental data for researchers. These requirements will be met through research made possible by substantially improved, advanced computing systems coupled with improved computer networking capability to support both high performance computing use and greatly improved dissemination of environmental data.

There is an enormous demand by weather and climate prediction computer applications for increased computing power in order to resolve the extraordinary complexity of the atmosphere-ocean system. While today's models and the performance level of today's supercomputers demonstrate major advancements over those of a decade ago, the atmosphere-ocean representations they portray still lack many key features, such as weather fronts and ocean eddies, and distort other features, such as clouds and intense convection, primarily due to lack of sufficient model resolution. It is with the insight that high performance computing and associated high speed communications makes possible that NOAA software models can take into account realistic representations of these features and improved physical understanding embedded within the models.

The demand for increased computing power is accompanied by a strong demand for high speed computer networking, to connect weather and climate modeling researchers to advanced, highly parallel computing systems and to make NOAA's vast holdings of the Nation's environmental data much more accessible for use in computer models and for environmental research and other uses. These data are located at more than a score of sites, where they are acquired, quality controlled, and archived, and the requirements on the part of the research community for access to these data cannot be met with current, limited data communications capabilities. The envisioned use of advanced weather and climate models compounds this problem, because when the modeling software runs on highly parallel computing systems very large amounts of data and information are generated which need to be made readily available to researchers.

Through this initiative, there will be a substantially improved ability to simulate the coupling between the atmosphere and the oceans, which is critical to both weather and climate modeling. More accurate and more timely assessment will be possible of the future impact of climate change. In weather forecasting, finer resolution in global and regional models will result in better weather forecasting and warning services, especially for hazardous weather and flight safety.

NOAA's work under this initiative will be closely coordinated with related scientific and technical activities sponsored by other Federal agencies, through active involvement with those agencies in the management of the Federal High Performance Computing and Communications Initiative as part of an interagency process established by the Federal Coordinating Council on Science, Engineering and Technology (FCCSET).

Measures of Performance

	1994	1995	1996	1997	1998
Scientific Publications (Refereed)	2	2	2	2	2
Technical Publications	2	2	2	2	2
Conferences, Workshops, NOAA Presentations	3	4	4	4	4
Experimental Models/Algorithms Developed	3	6	6	6	6
NREN Connections	10	18	18	18	18
NREN Usage	+60%	+30%	+30%	+30%	+30%
Cost:					
Direct Obligations					
Capitalized	500	800	800	800	800
Uncapitalized	2,100	6,036	6,036	6,551	6,551
Total	2,600	6,836	6,836	7,351	7,351
Budget Authority	2,600	6,836	6,836	7,351	7,351
Outlays	1,508	4,693	6,061	6,838	7,279
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Climate and Air Quality Research
Program Change: High Performance Computing and Communications

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	1,700
26	Supplies and materials	0
31	Equipment	500
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	400
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	2,600

Climate and Global Change - The objective of this element is to gain an adequate predictive understanding of the interactive physical, geological, chemical, biological, and social processes that regulate the total Earth system and, hence, establish the scientific basis for national and international policy formulation and decisions relating to natural and human induced changes in the global environment and their regional impacts.

NOAA's Climate and Global Change Program is an integral part of the interagency U.S. Global Change Research Program (USGRCP). As part of this national program, NOAA is addressing an important aspect of global change -- the global climate system-- because changing climate confronts us with significant economic, health, safety, and national security implications. NOAA has a significant role in operational observation, research, prediction, and information management efforts for the national global change effort. NOAA's role is integrated with the roles of other agency participants in global change, (NSF, NASA, EPA, USGS, etc.) through the Federal Coordinating Council on Science, Engineering and Technology's (FCCSET) Committee on Earth and Environmental Sciences (CEES). The Office of Global Programs has the NOAA lead, but all of the NOAA Line offices play vital roles.

NOAA's broad objective is to establish a new national information resource based on reliable assessments and quantitative predictions of changing global climate. Once established, this new service will help NOAA provide high-quality predictions and assessments to other Federal agencies, the public and private sectors, and the international community. The near-term objective is to provide reliable predictions of global climate change, both human-induced and natural, and associated regional implications on timescales ranging from seasons to a century or more.

The majority of NOAA's research addresses the following critical policy questions:

- **The Role of Carbon Dioxide** -- how the CO_2 budget varies naturally, how human activities change it, and how it might respond to future changes in environmental conditions.

- **Sea Level Change** -- how and why is sea level changing, what is sea level apt to do in the future, and what would be the consequences.

- **Detection of Climate Change** -- what are long term climate trends (e.g. greenhouse warming), and can we differentiate between natural and human-induced changes in the climate system.

- **Prediction of Climate Change** -- how to improve global model development and delivery of improved seasonal and year-to-year-climate change predictions through greater understanding of processes within each component of the Earth System as well as processes that involve interactions between two or more of the components.

- **Stratospheric Ozone Depletion** -- what are the causes, extent, and implications of stratospheric ozone depletion.

- **Marine Ecosystem Responses** -- how marine ecosystems vary naturally, how human activities change them, and how they might respond to future changes in environmental conditions.

NOAA's contributions to the answers to these policy questions are unique among the Federal agencies. NOAA is the only agency which has a history of providing long-term sustained environmental observing and data management systems, routine and systemic climate predictions, and focused process research aimed at establishing an operational information service for climate and global change. No other Federal agency has the charge to perform these responsibilities.

Since the programs inception in FY 1989, NOAA's Climate and Global Change Research Program can already lay claim to many significant accomplishments:

- Established the Network for the Detection of Stratospheric Change. The data from these ground-based global remote-sensing stations will provide calibration for satellite sensors, detect stratospheric changes including ozone depletion and greenhouse warming, and provide information to refine and improve global models.

- Identified the likelihood of a terrestrial sink for carbon dioxide. Analysis of the global distribution of carbon dioxide in the atmosphere and upper ocean indicates that the ocean probably is less of a sink than scientists previously believed and the terrestrial biosphere may be larger than they thought. Besides underscoring the uncertainty in our understanding of the global carbon cycle, these findings suggest that the natural sinks for carbon dioxide may have saturation limits that we must define.

- Provided new policy-relevant information on greenhouse and ozone-depleting gases. Laboratory and theoretical studies showed that methane is removed more slowly from the atmosphere than thought, hence increasing its greenhouse role; and, characterized the atmospheric role of several other proposed chlorofluorocarbon replacements, thereby proposing critical guidance to industry.

- Completed the Scientific Assessment of Stratospheric Ozone for the United Nations. NOAA and NASA chaired the state-of-the-science review that produced this report, cited by the American Library Association as one of the 10 best government-sponsored documents of 1990.

- Initiated the first basin-scale ocean-atmosphere observing system. The TOGA Atmosphere-Ocean (TAO) observing system provides critical data on the oceanic and surface wind conditions associated with El Nino. TAO represents the first atmosphere-ocean observing system ever attempted on a basin-wide scale.

- Established the Global Sea-Level Monitoring Program. Next-generation acoustic tide gauges with satellite communication hardware are being installed to complete a worldwide network to monitor changes in absolute sea level.

- Prepared and distributed continuing long-term records of meteorological, oceanographic, and land surface data from operational NOAA satellites and ground-based observing systems. These data sets, provided on CD-ROM disks, have facilitated investigations into climate and global change at both government and academic research facilities.

The base program is designed to integrate the agency's unique scientific assets and join them with those of the university community and other federal agencies to provide a sustained long-term contribution to the U.S. Global Change Research Program. NOAA has two critical roles to play in fulfilling the promise of the USGCRP:

- Contribute unique NOAA assets and expertise to fill critical gaps in scientific understanding; and

- Provide the long-term resolve required to synthesize research results into a continually-updated, integrated picture of Earth System behavior and climate change.

To address the first of these responsibilities, NOAA will support a number of highly-focused observational and research activities which provide insights into the following critical Earth System problems:

- **Atmospheric Chemistry,** including sources, sinks, trends, and processes related to the climatic impact of the greenhouse gases and aerosols, as well as the causes, extent, and implications of stratospheric ozone depletion, with emphasis on information relating to choices among halocarbon substitutes, the characteristics of Antarctic and Arctic Ozone losses, and the elucidation of the causes of the downward trends in global ozone;

- **The Role of the Ocean in Climate Change and the Response of Marine Ecosystems,** including: (i) the establishment and maintenance of a global sea level monitoring network; (ii) a long-term program of surface and upper ocean observations; and (iii) critical U.S. contributions to high-priority international ocean research projects of the World Climate Research Program (WCRP) and the International Geosphere-Biosphere Program (IGBP), including the Tropical Ocean-Global Atmosphere (TOGA) Program, the World Ocean Circulation Experiment (WOCE), the Joint Global Ocean Flux Studies (JGOFS), and the Global Ocean Ecosystems Dynamics (GLOBEC) Program;

- **Clouds, Energy and the Land Surface Hydrology,** with an emphasis on leadership and support of the international Global Energy and Water Cycle Experiment (GEWEX) and in particular, the first GEWEX Continental-scale International Project--GCIP;

- **The Human Dimensions of Global Change,** with an early emphasis on critical NOAA contributions to the evolving U.S. program of Economics Research Related to Global Change, particularly in the areas of determining the value of information to decision makers and assessing the economic implications of climate change, including seasonal and year-to-year fluctuations;

In its second major role, as the agency responsible for providing the National focus for information synthesis, forecasts and predictive assessments useful to decision makers, NOAA will sustain a long-term integrating activity in two Program-wide areas:

- **Documenting Climate Change,** with a particular focus on distinguishing between natural and human-induced change, through projects aimed at: (i) developing and providing important climate and global change measurement products derived from operational satellite and ground-based observing systems; (ii) developing and testing new and improved measurement techniques; (iii) continued leadership in the establishment of an effective national data and information management system for the USGCRP; and (iv) a program of paleoclimate research and data base development with a primary focus on climate records with seasonal, interannual and decadal resolution; and

- **Modelling, Prediction and Scientific Assessment,** through a comprehensive climate dynamics and experimental prediction program focused on: (i) the development and application of ocean models; (ii) near-term forecasting improvements to extend operational predictive capability on monthly and seasonal timescales; and (iii) implementation of an effective multi-agency program to improve climate modelling prediction and analytical capabilities on year-to-year and decadal timescales.

The results of this research investment are: (1) within three to five years, NOAA will provide seasonal climate forecasts (30-90-day average atmospheric conditions) for selected regions, including North America, with forecasts updated approximately every two weeks and (2) within eight to ten years, NOAA will begin routine predictions of year-to-year variations in climate. These six-month to one-year forecasts (provided quarterly) will be based on a greatly improved understanding of how the tropical ocean induces changes in global climate patterns.

The economic benefits to be derived from climate forecasts are enormous. Even without additional human influences, natural variability in the Earth's climate system such as the turbulent El Nino storms can intensify droughts, floods, and tropical storms. These extreme weather events take their toll in human lives and property damage:

- In 1992, heavy rain and flooding in southern California and Texas associated with El Nino caused an estimated $115 million in damages.

- Unusually strong El Nino storms in the Pacific in early 1991 are estimated to have caused close to $1 billion in American-flag Pacific Islands alone.

- In 1986, 48 deaths and overall damages estimated at $1.5 billion were attributed to a drought and heat wave in the southeastern United States.

- Crop losses in the United Stated during July to September 1983 are estimated at between $10 billion and $12 billion.

- Australia suffered its worst drought in 200 years in 1982 and 1983. Massive bush fires caused about $1 billion in property damage.
- In Peru, El Nino related floods and droughts during 1982 and 1983 resulted in an estimated $2 billion in losses.

With climate forecasts that will be provided by NOAA, governments, the private sector, and the public can make important decisions that can save millions of dollars.

The NOAA Climate and Global Change Program base program will enable NOAA to fulfill its critical roles in the USGCRP. Without a strong NOAA, the Nation cannot expect to see the early delivery of reliable climate predictions that are vital to the success of the USGCRP.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	18	18	18
Technical publications	8	8	8
Conferences - NOAA presentations	8	8	8
Major field experiments	3	3	3
Experimental models/algorithms developed	1	1	1

* The increment to the performance measures associated with the reimbursable funding from the FY 1993 Department of State (DOS) transfer are not included above. If the funding from the DOS transfer is included, the performance measures would be -

Scientific publications (refereed)	37
Technical publications	10
Conferences - NOAA presentations	10
Major field experiments	5
Experimental models/algorithms developed	2

Performance will be measured in terms of significant advances in our understanding of policy-relevant aspects of the Earth's Systems, such as the global carbon cycle and the hydrological cycle. Refereed and technical publications, which are the synthesis of observation, field work, and model development, are an excellent way to measure the quality of the work performed and the usefulness to the appropriate segment of society, the scientific community.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Climate and Global Change	Pos.\BA	63	$46,902	63	$69,902	0	$23,000
	FTE\Obl.	61		61		0	

Climate and Global Change (+0 FTE, +$23,000,000): An increase of $23,000,000 is requested as an investment to focus on high-priority, multi-disciplinary investigations which respond to some of the most critical near-term information needs in the United States Global Change Research Program (USGCRP) including the U. S. support for the International Research Institute for Climate Prediction (IRICP). The investment request is contingent upon enactment of an omnibus reconciliation act that contains the President's deficit reduction package. Of the $23,000,000 requested, $19,000,000 will be used to continue high-priority research programs supported in FY 1993 with monies appropriated to the Department of State due to the separation of domestic discretionary and international ceilings as a result of the Omnibus Budget Reconciliation Act of 1990 and subsequent transfer of funds to Commerce per the intent of report language. Global environmental issues, addressed by the USGCRP, remain among the Administration's top priorities and were highlighted at the United Nations Conference on Environment and Development (UNCED) in June 1992. The FY 1994 USGCRP budget request will continue to direct resources to that portion of Earth-System science where scientific understanding appears to most advanced and will lead to rapid payoffs. For FY 1994, most of the scientific projects which comprise the USGCRP are explicitly tied to extremely important international climate and global change research activities to which the United States has made previous commitments. NOAA is a major player in these top-priority research efforts, such as the Tropical Ocean and Global Atmosphere (TOGA) Program, the World Ocean Circulation Experiment (WOCE), the Joint Global Ocean Flux Studies (JGOFS), the International Global Atmospheric Chemistry (IGAC) Program, and the Global Energy and Water Cycle Experiment (GEWEX).

High priority efforts in FY 1994 for USGCRP and NOAA are to determine whether and to what extent changes are occurring in the climate system and to gather such information through international cooperative ventures. The results of NOAA's research will provide guidance for public and private decision-making directly relevant to a number of policy questions surrounding global environmental issues, such as how does the climate system vary naturally, how do human activities change global climate, what are trends in atmospheric concentrations of greenhouse gasses, how will climate change on a regional scale, and how much confidence do we have in our predictions? The proposed increase for FY 1994 is needed to ensure a balance in the USGCRP between the NASA space-based observational and research projects and the complementary NOAA ground-based efforts.

The following are the specific areas of observational and research activities which will be the focus of the FY 1994 funding -

- Atmospheric Chemistry
- The Role of the Ocean in Climate Change and Response of Marine Ecosystems
- Clouds, Energy, and Land Surface Hydrology
- Documenting Climate Change
- Modeling, Prediction and Scientific Assessment

The role that these have in providing insights into critical Earth System problems is described in the base narrative.

The request includes $4,000,000 to allow NOAA, together with its domestic and international partners, to take advantage of recent scientific advances in observing, understanding, and modeling the El Nino-Southern Oscillation (ENSO) cycle. The nations of the world have a remarkable opportunity to apply new capabilities and climate and global change research results to practical problems of economics and development. Climate variations associated with ENSO often have widespread and devastating impacts that range from the Indian monsoon to the intense storms in the Pacific and from the viability of commercial fisheries off the coast of South America to the occurrence of short-term regional drought in many parts of the world. The predictive models, developed by this research (NOAA has the U.S. lead) have provided useful predictions up to several seasons in advance of an incipient ENSO event. To capitalize on the scientific progress made in short-term climate predictability, it is necessary to have a critical mass of researchers with an expertise in coupled ocean-atmosphere model development, data assimilation, forecast evaluation and applications working together under one roof with adequate computational and communications facilities.

The U.S. and with partner nations have discussed extensively during the past two years the establishment of an institution to accelerate progress in interannual climate prediction. In the U.S., NOAA has the lead to implement a pilot project in FY 1993 to demonstrate the operating concepts embodied in International Research Institute for Climate Prediction: A Proposal. This initiative was announced in the UNCED document, U.S. Actions for A Better Environment: A Sustained Commitment.

The Institute is designed to (i) accelerate research focussed on climate variability on seasonal to interannual time scales; (ii) conduct routine experimental forecasts of such climate variability and provide these to the appropriate agencies in participating countries; and (iii) assist participating countries in effectively using the forecasts to meet their particular social and economic needs. The initial focus will be on those regions of the world where significant socio-economic benefit can be immediately realized.

In FY 1994, NOAA proposes to expand the efforts initiated in FY 1993 to implement the UNCED initiative calling for the International Research Institute for Climate Prediction. The initial steps involve (i) establishing multinational institutional arrangements; (ii) focus on multi-funding mechanisms to support the center and the design of training programs; and (iii) use existing modeling technology to provide routine diagnostics and predictions. This initial forecasting focus will provide a stimulus to build better models and techniques.

In FY 1994, NOAA, together with other Federal agencies and international partners, will undertake the following activities: complete multinational dialogue with potential international sponsors that would lead to the establishment of the core facility; formalize working relationships between the core facility, regional application centers, and national forecasting centers (e.g. NMC); initiate plans for regional application centers around the world; expand training opportunities, especially for scientists from developing countries; and accelerate model development and analysis. With funds identified in this request, NOAA is expected to provide most of the U.S. FY 1994 contribution for IRICP for the following reasons: (i) NOAA is the only Federal agency whose mission is to provide prediction information products, such as the ones proposed, and (ii) NOAA has the US lead on the initial ENSO work upon which this initiative is based.

Measures of Performance

	1994	1995	1996	1997	1998
Scientific publications (refereed)	23	25	30	30	30
Technical publications	4	4	7	10	10
Conferences/workshops/NOAA Presentations	8	10	12	12	12
Experimental models/algorithms developed	2	2	2	3	4
Model-based analysis products	12	12	12	12	12
Visiting scientists who participate in training programs	14	19	20	20	20
Major field experiments	5	5	3	3	3
Cost and Benefits:					
Direct Obligations					
Capitalized	$2,674	$2,800	$2,800	$2,800	$2,800
Uncapitalized	20,629	31,003	31,003	31,003	31,003
Total	23,000	33,803	33,803	33,803	33,803
Budget Authority	23,000	33,803	33,803	33,803	33,803
Outlays	13,340	26,046	30,681	33,047	33,803
FTE	0	0	0	0	0

Benefits

** Improved climate forecasts that can result from the increase in this request can lead to reduction in extreme weather events' toll in human lives and property damage. Examples of past costs that could be averted with improved climate forecasts are discussed in the base narrative.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Climate and Air Quality Research
Program Change: Climate and Global Change

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	307
22	Transportation of things	266
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	768
24	Printing and reproduction	266
25	Other services	6,319
26	Supplies and materials	0
31	Equipment	2,674
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	12,400
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	23,000

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Atmospheric Programs

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Weather Research	Pos./BA	285	$38,563	314	$36,681	308	$37,406	308	$36,735	0	($671)
	FTE/Obl.	274	38,719	302	36,925	296		296		0	
Solar-Terrestrial Services and Research	Pos./BA	64	5,372	79	4,850	77	4,926	77	5,368	0	442
	FTE/Obl.	62	4,972	76	4,850	74		74		0	
Total	Pos./BA	349	43,935	393	41,531	385	42,332	385	42,103	0	(229)
	FTE/Obl.	336	43,691	378	41,775	370		370		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity:	**Oceanic and Atmospheric Research**
Subactivity:	**Atmospheric Programs**

Goal Statement

To provide the Nation with more accurate and timely warnings and forecasts of: (1) weather events, particularly the severe weather events which disrupt economic productivity and cause loss of life and property, and (2) solar disturbances and their terrestrial effects, including hazards to satellites and disruptions of communications, navigation, and utility systems.

Proposed Legislation

No legislation is proposed.

Base Program

Weather Research - The operating objectives for this element are to provide theoretical frameworks, remote sensing technologies, and scientific understanding to: (1) Develop and assess new, cost-effective atmospheric observing systems; (2) Develop data acquisition, management, analysis, and display systems; (3) Develop and verify numerical models and other techniques to provide prediction guidance for all types of weather, particularly severe events; and (4) Transfer research results both to aid the research community and to improve the operational warnings and forecasts.

Improving our understanding of atmospheric physical processes and interactions of weather systems on all scales is essential to the continued improvement of the forecasts and warnings of the National Weather Service (NWS). NOAA organizations involved in this line item include five Environmental Research Laboratories, working in close collaboration with the operational components of NWS and NESDIS. This research program has two major program elements, systems modernization and forecast research.

Systems Modernization - Improved forecasts and warnings require more frequent and higher-density observations, faster communications, and better local data handling systems. This is true for both short-range forecasts and warnings prepared by meteorologists monitoring conditions as they develop, and for the longer range ones which are generated by complex numerical models. NOAA is in the process of substantially upgrading its ability to collect weather data. This includes Next Generation Weather Radar (NEXRAD), satellites, and Automated Surface Observations Systems (ASOS). NOAA also is developing the Advanced Weather Interactive Processing System (AWIPS) which will significantly improve a forecaster's ability to use the information. In support of this overall effort, research is conducted to improve the spatial and temporal resolution of remote observations of the atmosphere and to integrate the resulting data into coherent four-dimensional physical descriptions of the atmosphere for use in weather forecasting research and operations. The primary research activities include:

- Development of atmospheric **profiling** systems to remotely and continuously measure vertical profiles of wind speed and direction, temperature, and humidity. Specific efforts include: (1) operation and continued assessment of 29 wind profilers in the central U.S. Wind Profiler Demonstration Network (WPDN); and (2) development and integration of the radio-acoustic sounding system (RASS) into wind profilers to augment their capability with temperature profiles; and (3) continuing development of techniques that can integrate the data from ground-based and satellite-borne profiling systems for more effective use of this data in the forecasts.

- Development of **Lidars and infrared Doppler multifrequency radars** as research tools to improve our knowledge of atmospheric winds, turbulence, aerosols, and moisture processes.

- Development of **dual-polarization Doppler and multifrequency radars** and passive **radiometers** to study convective storms and their precursors, including in-cloud and entrainment processes.

- Improvement of short-range (1-12 hour) forecasting by the development and evaluation of new local data system technologies and techniques many of which can be incorporated into operational weather forecasting in the near term. The **Program for Regional Observing and Forecasting Services (PROFS)** provides a tested prototype to evaluate workstations for laboratory and forecast office environments. Specifically, PROFS has and continues to develop capabilities to allow the forecaster to integrate, view, and manipulate observations from current and planned meteorological sensing systems using computer-assisted data display and synthesis techniques. By maintaining state-of-the-art capability for use in research and development of operational techniques, it has provided a mechanism to evaluate weather service requirements for the Advanced Weather Interactive Processing System (AWIPS).

Forecasting Research - Improvements in forecasts and warnings for operational weather services also require that (1) the numerical models be based on sound mathematical and physical concepts of the atmosphere and (2) specific forecasting techniques based on research findings be developed to assist meteorologists (and computer systems) to recognize precursors to various events. Scientific understanding of physical processes that govern the behavior of the atmosphere is essential for accurate models, which in turn, provide a tool for more accurate weather forecasts. The specific activities include:

- Developing numerical **models** to simulate and predict the behavior of the atmosphere in several spatial scales (synoptic weather, and mesoscale severe weather events). For example, the incorporation of advanced physics into the National Meteorological Center's (NMC) global model has led to an extension of 1.5 days in meaningful forecasting ability.

- Improving hurricane observations and predictions so that storm track and intensity forecasts from 24-72 hours can be improved saving lives and money.
- Developing and implementing **data assimilation techniques** to better use the considerable amount of data from the new observing systems (e.g., wind profilers, NEXRAD). Incorporation of this data is resulting in increased accuracy in the model products.
- Working with NWS scientists to improve predictions by the National Centers and regional forecast and local service offices through: improvements in data analysis and integration, algorithm development, and the application, interpretation, and transfer of model guidance.
- Investigating **convective storms** and their precursor conditions to better understand the processes involved in severe weather. Developing prediction techniques and technologies capable of increasing the lead-time and accuracy for NWS watches and warnings of storms that pose a significant threat to life and property.
- Undertaking **field studies** to determine the factors that influence **hurricanes and other severe weather events** which will provide the basis of improving prediction models.

NOAA is leading the effort to produce the interagency implementation plan for the U.S. Weather Research Program. NOAA continues to support the U.S. Weather Research Program through its implementation and operation of NEXRAD, ASOS, AWIPS, the Wind Profiler Demonstration Network and data management systems. NOAA also supports this program by conducting severe weather, hurricane, and forecasting applications research and coordinating these efforts with other Federal agencies and the academic community.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	114	102	100
Technical publications	27	24	23
Conferences - NOAA presentations	80	72	70
Workshops, Conferences, and Symposia Sponsored	10	9	9
Major field experiments	3	2	2
Experimental models/algorithms developed	2	2	2

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Weather Research	Pos.\BA	308	$37,406	308	$36,735	0	($671)
	FTE\Obl.	296		296		0	

NOAA requests a net decrease of $671,000 for activities in the Weather Research line item

Weather Research (+0 FTE, +$2,340,000): NOAA requests an increase of $2,340,000 to maintain critical components of the weather research program. These funds would reinstate advanced forecast development (i.e., at PROFS and the National Severe Storms Laboratory, Hurricane Research Division) and refine remote sensing technologies for observing severe weather and precipitation conditions. Specifically, efforts would focus on developing new ground-based remote atmospheric profiling systems, e.g., lidar, radiometer, and radio-acoustic sounding system (RASS) technologies, that can provide frequent observations of wind, temperature, and humidity. Emphasis will also be placed on gaining a better understanding of severe weather processes and applying this knowledge to developing improved numerical weather prediction models and forecasting techniques, e.g., Mesoscale Analysis and Prediction System (MAPS). These activities are key to maximizing the benefits of the NWS modernization program and to keeping NOAA's environmental services technology competitive. Furthermore, NOAA's weather research directly addresses **all four goals and three of the five strategic priorities** outlined in *Predicting Our Weather, a Strategic Plan for the U.S. Weather Research Program* prepared by the Federal Coordinating Council on Science, Engineering and Technology (FCCSET) Subcommittee on Atmospheric Research of the Committee on Earth and Environmental Science (CEES).

Measures of Performance

	1994	1995	1996	1997	1998
Scientific publications (refereed)	7	7	7	7	7
Technical publications	2	2	2	2	2
Conferences - NOAA presentations	5	5	5	5	5
Workshops, Conferences, and Symposia Sponsored	1	1	1	1	1
Major field experiments	0	0	0	0	0
Experimental models/algorithms developed	0	0	0	0	0
Cost:					
Direct Obligations					
Capitalized	$ 0	$ 0	$ 0	$ 0	$ 0
Uncapitalized	2,340	2,340	2,340	2,340	2,340
Total	2,340	2,340	2,340	2,340	2,340
Budget Authority	2,340	2,340	2,340	2,340	2,340
Outlays	1,357	2,012	2,176	2,340	2,340
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**Oceanic and Atmospheric Research**
Subactivity:	**Atmospheric Programs**
Program Change:	**Weather Research**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	2,340
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	0
		2,340

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, program for which continued support cannot be provided in FY 1994.

Atmospheric Modification Program (-$2,639,000): A decrease of $2,639,000 is requested to terminate the North Dakota, Utah, Nevada, Illinois, Arizona, and Texas weather modification grants. This type of state-oriented cloud physics and precipitation research is more appropriately the responsibility of the individual state receiving direct benefits.

Southeastern Storm Research (-$372,000): A decrease of $372,000 is requested to terminate grant funding for research on understanding and predicting severe thunderstorms and tornadoes in the southeastern U.S. NOAA has a comprehensive program of research in thunderstorms and tornadoes which is applicable to areas across the United States.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	Oceanic and Atmospheric Research
Subactivity:	Atmospheric Programs
Program Change:	Weather Research

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services.	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	(3,011)
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	(3,011)

Solar Terrestrial Services and Research The principal objectives of NOAA's solar-terrestrial program are to provide improved: (1) forecasts and warnings of solar disturbances and their effects on communications, electronic navigation, power distribution networks, and space operations and (2) observations, data bases, forecast and information products, and dissemination systems for these data and products.

The two major program elements are Forecasts and Warnings and Technique Development.

Forecasts and Warnings - NOAA's Space Environment Services Center (SESC), jointly operated by the NOAA Space Environment Laboratory (SEL) and the Air Force Air Weather Service, provides services to a broad user community of government agencies, industries, and private individuals engaged in satellite operation, space exploration, international navigation, high-altitude polar flights, high-frequency communications, remote surveillance, long-line transmissions, and geophysical exploration. SESC engages in two principal activities:

- The Space Environment is **monitored** in real time by acquiring data on X-ray flux, energetic charged particles, and magnetic field changes created by solar disturbances, (e.g. solar flares) using monitors on GOES and polar-orbiting satellites. Data is also acquired from a ground-based magnetometer network and from National Solar Observatories (the USAF and Kitt Peak, Arizona) and the National Research Council of Canada and Australian solar observatories.

- **Forecasts and warnings** of possible disturbances are developed and issued to users.

SESC carries out these two activities largely through the use of its SEL Data Acquisition and Display System (SELDADS), which collects, processes, integrates, stores, and displays solar geophysical data from several national and international sources. Efforts will continue to improve SELDADS capabilities to speed the flow of worldwide information into and out of the SESC and to implement numerical forecast algorithms. SESC also is automating the analysis of synoptic maps of global solar magnetic structures to develop longer-term forecasts of solar activity. SESC provides specific support to major NASA missions on a reimbursable basis.

Technique Development - Forecast and warning capabilities will be improved by developing the following:

- Algorithms for analyzing data from advanced space environment **sensors** (e.g., operational satellite sensors, such as the solar-wind monitor and the solar x-ray imager) for incorporation into SELDADS.

- Improved diagnostic and prediction **techniques** using data from the next generation of geostationary satellites and new statistical forecasting techniques for solar and geomagnetic activities.

- Theoretical **models**, both statistical and numerical, to forecast solar activity and disturbances affecting the Earth; numerical models, such as a magnetohydrodynamic model for propagation of solar-wind disturbances, which will be developed in cooperation with outside researchers.

- Improved sensor calibration and quality control.
- Expert systems to develop computer software to recognize solar events as they develop for operational use.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	29	27	26
Technical publications	10	9	9
Conferences - NOAA presentations	23	21	20
Workshops, Conferences, and Symposia Sponsored	1	1	1

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Solar-Terrestrial Services and Research	Pos.\BA	77	$4,926	77	$5,368	0	$442
	FTE\Obl.	74		74		0	

NOAA requests an increase of $442,000 for activities in the Solar-Terrestrial Services and Research line item.

Space Environment Operations (+0 FTE, +$442,000) - NOAA requests an increase of $442,000 to maintain full operation (24 hours/day, 7 days/week) of NOAA's Space Environment Services Center (SESC). From the SESC, NOAA provides space weather data, forecasts, and warnings to a broad user community of government agencies, industries, and private individuals engaged in satellite operations, space exploration, international navigation, high-altitude polar flights, high-frequency radio communications, remote surveillance, and electric power distribution. Space weather variations and geomagnetic storms can strike at any time of the day, year round. Potential impacts of a major storm not being forecast due to its occurrence during an unstaffed shift could include major losses, such as satellite failure or electrical power blackouts over major regions of the country (e.g., the northeast). Therefore, it is crucial that the SESC be able to provide forecasts and warnings to users on a continuous basis.

Measures of Performance

	1994	1995	1996	1997	1998
Scientific publications (refereed)	2	2	2	2	2
Technical publications	1	1	1	1	1
Conferences - NOAA presentations	2	2	2	2	2
Workshops, Conferences, and Symposia Sponsored	0	0	0	0	0
Cost:					
Direct Obligations					
Capitalized	$ 0	$ 0	$ 0	$ 0	$ 0
Uncapitalized	422	422	422	422	422
Total	422	422	422	422	422
Budget Authority	442	442	442	442	442
Outlays	256	380	411	442	442
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Atmospheric Programs
Program Change: Solar-Terrestrial Service and Research

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	442
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	442

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Activity: Oceanic and Atmospheric Research											
Subactivity: Ocean and Great Lakes Programs											
Line Item											
Marine Prediction Research	Pos./BA	170	$21,197	188	$18,695	184	$19,116	184	$17,247	0	($1,869)
	FTE/Obl.	163	22,596	181	18,695	177		177		0	
Sea Grant	Pos./BA	29	45,504	25	44,100	25	43,887	25	39,787	0	(4,100)
	FTE/Obl.	28	43,679	24	45,925	24		24		0	
Undersea Research Program	Pos./BA	14	22,594	8	17,898	8	17,823	8	6,038	0	(11,785)
	FTE/Obl.	14	20,345	8	20,647	8		8		0	
Total											
	Pos./BA	213	89,295	221	80,693	217	80,826	217	63,072	0	(17,754)
	FTE/Obl.	205	86,620	213	85,267	209		209		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Oceanic and Atmospheric Research**
Subactivity: **Ocean and Great Lakes Program**

Goal Statement

NOAA's Ocean and Great Lakes Programs seek to:

(1) Increase our understanding of coastal and marine processes for the purpose of predicting environmental changes.

(2) Provide the technical basis for enhancing the Nation's marine economic sector.

(3) Provide the information base for protecting the quality and value of the Nation's marine and estuarine resources.

Proposed Legislation

No legislation is proposed.

Base Program

Marine Prediction Research - The objectives for this element are to: (1) Conduct research on interactions in the ocean/coastal environment that affect ocean productivity and environmental quality and on how these interactions are altered by perturbations whether natural or human-induced; (2) Develop instrumentation, modeling and other techniques for more effective measurement, storage/retrieval, and analysis of marine data; and (3) Transfer new technologies, techniques, and data/information bases to the private sectors in a timely and effective manner.

Marine Prediction Research supports NOAA's mission to improve the prediction and assessment of ocean, coastal, and Great Lakes processes, phenomena, and resources and the use of those resources. Three Environmental Research and Laboratories conduct research which involves a blending of existing capabilities with academia and the private sector. Although observations comprise a major part of NOAA's marine research, numerical modeling is stressed as an integrating force to focus observational requirements, integrate knowledge, develop and improve quantitative prediction techniques, and aid in transferring research results to these industries dependent upon environmental quality and NOAA's operational services (e.g., NWS, NOS, NMFS). Marine research consists of two major program elements, Marine Environmental Research and Marine Assessment.

Marine Environmental Research - The following research is conducted to develop a sound scientific basis for management, development, and use of coastal, estuarine, and Great Lakes environments and for understanding and predicting physical, biological, and chemical processes.

- **Environmental processes research** provides the scientific bases needed for sound environmental management. This research will make it possible to predict the impacts of our economical usage of coastal, estuarine, and Great Lakes waters. For example, NOAA has demonstrated that recirculation and sediment disturbances can keep pollutants active and biologically available longer than previously thought. NOAA is conducting research to understand the cycling, fates, and effects of nutrients and toxic organics to determine the effects of human activities on the estuarine, coastal, and Great Lake habitats of fish and shellfish. NOAA will continue fundamental research to: (1) understand the relationships between physical and chemical variables and the productivity of estuarine and coastal ecosystems, including Arctic ecosystems; (2) develop an understanding of how physical and biochemical processes in the estuarine and coastal environments affect the fates of pathogens and toxic chemicals introduced to these environments; and (3) develop and test models of contaminant behavior to support sound coastal and marine resource management decisions.

- **Seafloor processes research** is conducted to improve our understanding of the chemistry and thermal characteristics of the oceans, in particular the seafloor processes associated with hydrothermal vents found on the oceans' extensive volcanic ridges. NOAA's VENTS program seeks to identify vent systems, characterize the effluents, and develop an understanding of their life-history. There is evidence that these systems may have a significant effect on the present and paleo-thermal and chemical budgets of the overall oceans as well as on local circulation patterns. This is potentially important to studies of very long term climate change.

- **Marine hazards and lake hydrology research** improves the U.S. ability to: predict hazardous or special environmental conditions in the oceans, Great Lakes, and the waters of the Alaskan Arctic; assess water resources of large lakes; and provide the information and data necessary for the safe and efficient use of the ocean, coastal, and Great Lakes areas. NOAA's major research activities will continue to improve the forecasting accuracy of: lake levels; hazardous winds, waves, and storm surges; and ice growth, movement, and breakup (results are transferred to NOAA operations, such as the Joint Ice Center, for dissemination to international, Federal, and state agencies and public).

Marine Resources Assessment - This research provides the information and data to allow for the rational use and development of the marine resources of the 200 mile Exclusive Economic Zone and the Fisheries Conservation Zone. The principal activity is fisheries recruitment research, which investigates the factors affecting the recruitment (or survival) of young year classes into the fishery stock. This research combines the talents and expertise of NOAA's fishery scientists, oceanographers, and meteorologists to understand the complex inter-relationships which affect fishery survival. The Fisheries-Oceanography Coordinated Investigations (FOCI) program seeks to identify and measure physical, chemical, and biological parameters affecting important fish stocks to determine how these parameters affect spawning, growth, survival, and recruitment. NOAA continues efforts in the Gulf of Alaska to determine the effects of oceanographic variables on pollack. Results to date show promising progress in linking oceanographic conditions with recruitment and the first steps toward predictive models have been made.

The economic payoff from FOCI is potentially very high. Over one million metric tons of walleye pollack are caught annually in the Alaskan waters of the U.S. Exclusive Economic Zone. These fish provide a rich source of protein with low levels of cholesterol. Use by Americans of commercial pollack products has recently increased twenty fold. However, many economic uncertainties are connected to the harvesting and management of this resource. "Recruitment," i.e., the number of individuals added to the population of a species each year, is recognized as the most significant biological factor facing fisheries managers. As it turns out, recruitment of 3-year old pollack to the adult fishery is extremely variable, ranging in recent years from as high as 2.29 billion to as low as 60 million. To the extent that such variations can be understood and predicted, far greater efficiencies in the management and harvesting of the pollack fishery should be possible. Furthermore, as knowledge and experience are gained, attention will be focused on additional commercially important fisheries.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	86	82	80
Technical publications	27	25	24
Conferences - NOAA presentations	17	16	16
Workshops, Conferences, and Symposia Sponsored	0	0	0
Major field experiments	3	3	3
Experimental models/algorithms developed	1	1	1

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Marine Prediction Research	Pos \BA	184	$19,116	184	$17,247	0	($1,869)
	FTE\Obl.	177		177		0	

NOAA requests a net decrease of $1,869,000 for activities in the Marine Prediction Research line item

Marine Prediction (+0 FTE, +$422,000) NOAA requests an increase of $422,000 to address critical components of ongoing programs in this area. The funds would allow NOAA to conduct additional critical work to provide new understanding of the influences of environmental factors on pollack recruitment in the North Pacific and to continue research in the Great Lakes and Gulf of Mexico that supports environmental management and resolution of critical coastal issues. This work on natural marine processes will enhance our ability to predict with confidence the outcome of proposed environmental management and responses to environmental stress.

Measures of Performance

	1994	1995	1996	1997	1998
Scientific Publications (Refereed)	2	2	2	2	2
Technical Publications	1	1	1	1	1
Conferences--NOAA Presentations	0	0	0	0	0
Workshops, Conferences, & Symposia Sponsored	0	0	0	0	0
Major Field Experiments	0	0	0	0	0
Experimental Models/Algorithms Developed	0	0	0	0	0
Cost and Benefits:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	0	0	0	0	0
Total	0	0	0	0	0
Budget Authority	422	422	422	422	422
Outlays	245	363	392	422	422
FTE	0	0	0	0	0

Benefits from research are not immediately quantifiable (see above discussion on benefits).

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	Oceanic and Atmospheric Research
Subactivity:	Ocean and Great Lakes Program
Program Change:	Marine Prediction Research

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	30
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	125
26	Supplies and materials	267
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	422

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

GLERL Zebra Mussel Research (-$911,000): A decrease of $911,000 is requested for the GLERL Zebra Mussel research on the impacts of the 'zebra mussel on Great Lakes ecosystems. A major focus of this program has been on Saginaw Bay. Current plans are to complete the field work in FY 1993 using the special zebra mussel funding. In FY 1994, GLERL base funds will be used to synthesize data and publish results.

Southeast Florida and Caribbean Recruitment Studies (SEFCAR) -($1,000,000): A decrease of $1,000,000 is requested for the SEFCAR program whose purpose is to clarify the interplay of physical circulation features and the behavior of larval reef fish and spiny lobsters on their respective recruitment onto the local coastal and reef environments along the lower Florida Keys. This program should be funded by the state or locality which directly benefits.

Lake Champlain Study (-$190,000): A decrease of $190,000 is requested for the Lake Champlain Study, terminating NOAA research on the Lake's circulation and on atmospheric deposition of toxic chemicals to the Lake. While these are worthwhile areas of study, NOAA's highest priorities focus on topics of broader, more national significance. Attempting to address too many different issues with sub-critical amounts of funding may result in no significant findings in any area.

Pacific Island Technical Assistance (-$190,000): A decrease of $190,000 is requested for the Pacific Island Technical Assistance, terminating a NOAA-sponsored effort to inventory coastal marine resources in the U.S. Pacific Island territories and aid the territories in development of coastal management and resource development plans

Exhibit 15

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Oceanic and Atmospheric Research**
Subactivity: **Ocean and Great Lakes Program**
Program Change: **Marine Prediction Research**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	(3)
25	Other services	(629)
26	Supplies and materials	(70)
31	Equipment	(23)
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	(1,566)
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	**(2,291)**

Sea Grant - The objectives of this element are to increase understanding, assessment, development, utilization, and conservation of the Nation's ocean and coastal resources by promoting a strong educational base, responsive research and training activities, and broad and prompt dissemination of knowledge and techniques. To accomplish this, the Program has developed a strong infrastructure of marine research and technology transfer that draws upon a network of in-house laboratories and universities and large national/international experiments. Within this general framework, the National Sea Grant College Program is structured to focus on NOAA-wide missions, including restoring the Nation's fishery resources, monitoring the health of coastal areas, restoring damaged marine habitats, developing coastal economies, and protecting life and property.

Over the past decade, through management and legislative changes, Sea Grant has evolved to assume many NOAA mission-related marine R&D responsibilities. For example, the National Sea Grant College Program offers a major capability for two NOAA priority areas: Global Change and the Coastal Ocean Program. Through its network of over 200 participating institutions, more than 3,000 scientists, engineers, and students can be brought to address these timely and strategic climate and coastal ocean initiatives. Additionally, the Sea Grant program leverages approximately $29,000,000 in non-Federal and $10,000,000 in other agency pass-through funding to work on R&D issues.

The Sea Grant Program supports NOAA missions by:

- **Addressing Coastal Environmental Problems**: Sea Grant sponsors research to improve water quality by increasing understanding of environmental processes, coastal and Great Lakes ecosystem dynamics, and through studies of best management practices of environmental problems such as agricultural runoff. Research also addresses coastal issues such as the effects of non-indigenous species (eg. zebra mussels), wetland/marsh restoration, waste disposal through composting and bioremediation. A variety of chemical studies address toxic and eutrophic contamination and gaseous exchanges related to global change. This research provides the core of the environmental quality component of NOAA's Coastal Ocean Program.

- **Creating New Industries, Jobs, and Products**: Aquaculture industries have benefitted from Sea Grant programs including the hybrid striped bass, soft-shell clam, and hard clam. Marine biotechnology research sponsored by Sea Grant includes identifying and developing new pharmaceuticals and industrial feed stocks from the sea. Genetic engineering studies are relevant to a variety of end uses from improving stocks of fish, mollusks, and crustaceans for human consumption to microorganisms for pollution abatement. This research area also includes seafood science and technology programs to improve the shelf-life and healthfulness of seafood.

- **Improving Commercial Competitiveness**: Sea Grant supports ongoing programs in marine economics research, ocean engineering, and marine transportation/ports systems. Hydrodynamics studies have led to improvements in hull designs, and marine and coastal structure assessments have led to recommendations of structures resistant to hurricanes. Other studies have identified new export markets for US seafood products. Marine biotechnology research is providing techniques for identifying seafood, attempting to protect consumers from the sale of less desirable fish under valuable names.

- **Helping Manage and Enhance Natural Resources**: By sponsoring studies on how to reduce by catch in commercial fisheries, Sea Grant helps to minimize waste of commercially important species, while also avoiding destruction of rare or endangered species. Studies of blue crab life history are leading to better and more efficient management practices for this commercially and ecologically important fishery. Sea Grant also supports geological and geophysical research related to the dynamics of coastal waters (coastal hazards), and the geological and environmental processes that affect coastal and beach stability (coastal processes).

- **Ensuring Health and Safety**: The seafood industry is benefitting from new molecular assays and pasteurization techniques designed to increase seafood safety. Maritime safety has been improved by Sea Grant sponsored research to develop collision-tolerant pilings for ship channels. Hurricane preparedness plans developed in conjunction with marine advisory agents minimize loss of life and property in storms.

- **Developing Scientific Literacy and Personnel**: Sea Grant supports education at the graduate and post-doctoral level, public education, and specialized fellowships as well as basic research in marine policy, social sciences, and ocean and coastal law. The Marine Advisory Service focusses on specialized communication/networking and policy analysis on issues of national importance (e.g., coastal pollution, wetland protection and restoration, coastal hazards and public safety, and small marine business development).

The report on Sea Grant's economic impact prepared by the Directors of the Sea Grant programs in 1987, showed that Sea Grant has been a commanding factor in the development and growth of the marine economy. By stimulating new business opportunities or helping implement cost saving productivity improvements, Sea Grant was found to have generated $842 million dollars in documented contributions to the national economy in 1987, over twenty times that year's Federal Sea Grant investment. This conservative figure does not include non-cash contributions to the national economy or benefits to the health and welfare of the citizenry.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	436	405	385
Technical publications	116	108	103
Workshops, Conferences, and Symposia Sponsored	46	43	41

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Sea Grant	**Pos.\BA**	**25**	**$43,887**	**25**	**$39,787**	**0**	**($4,100)**
	FTE\Obl.	**24**		**24**		**0**	

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

NOAA requests a net decrease of $4,100,000 for activities in the Sea Grant line item.

Zebra Mussel (-0 FTE, -$2,800,000): A decrease of $2,800,000 specifically targeted for zebra mussel research and outreach in Sea Grant is proposed. To the extent that funding is needed for this activity, the peer reviewed competitive process of Sea Grant can fund these activities. A sufficient body of research is currently being undertaken (including projects that will be funded from the FY 1993 appropriation). Numerous alternative sources of funding have developed for zebra mussel research, both from the private and public sectors. Also, many research projects funded through Sea Grant's zebra mussel program in FY 1991-93 will continue to be active into FY 1995. Finally, the Sea Grant zebra mussel outreach activities had high initial costs due to preparation of publications and other materials for distribution; however, ongoing activities can be supported within the base Sea Grant Marine Advisory Service Program.

National Coastal Resources Research and Development Institute (-$1,300,000): A decrease of $1,300,000 is requested for the National Coastal Resources Research and Development Institute. NOAA has provided these funds to the Institute to conduct marketing activities and to promote certain segments of the fishing industry.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Oceanic and Atmospheric Research**
Subactivity: **Ocean and Great Lakes Program**
Program Change: **Sea Grant**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	(25)
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	(25)
12.1	Civilian personnel benefits	(10)
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	(30)
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	(4,035)
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	(4,100)

National Undersea Research Program (NURP) - The objectives of this element are to: (1) Develop research programs to support scientists and engineers for the *in situ* study of biological, chemical, geological, and physical phenomena within the world's oceans and in the Great Lakes. Special emphasis is placed on understanding processes, in assessing changes over space and time, and in distinguishing the effects of human perturbations such as pollution and resource exploitation from natural variability; and (2) Provide an economical and safe national capability for conducting undersea observations, measurements, and experiments essential to examining marine biological, geological, chemical, and physical processes. Technological advancements that foster improved data acquisition, working capabilities, and underwater safety are of particular interest to NURP. Although many governmental agencies and private/academic institutions study the oceans and lakes from the surface, NURP is the only civilian governmental program that focuses on *in situ* research. NURP provides the unique capabilities necessary for safe operation under demanding conditions and the precision required for investigations in the water column and on the sea floor. This program serves the Nation's research community on regional and national scales. NURP-supported studies address such issues as global change, pathways and fates of materials (e.g., nutrients, toxic chemicals), productivity, recruitment and habitat characteristics, submersible platform technology, and diving safety and physiology (including development of the NOAA Diving Manual, cited by the Government Printing Office as one of its all-time best sellers, about 25,000 copies of each edition).

Most of NURP's science support is distributed regionally through six undersea research programs administered by the University of Connecticut at Avery Point, the University of North Carolina at Wilmington, the Caribbean Marine Research Center, the University of Hawaii, the University of Alaska at Fairbanks, and Rutgers University.

The National Office manages programs which are outside of the U.S. exclusive economic zone, at great depth, or without geographic specificity. Through various interagency and international agreements, NURP assures civilian access to unique deep submergence vehicles including the 4000 meter capable ALVIN (through an agreement between NOAA, the National Science Foundation, and the Office of Naval Research), the Navy's 6000 meter SEA CLIFF, and the Japanese SHINKAI (2000 and 6500 meter). The National Office also enhances programs in diving safety and performance directly supporting Section 21(a) of the Outer Continental Shelf Lands Act of 1978.

A second component of this line item is the Regional Marine Research Program (RMRP), which is not primarily an undersea research activity. The RMRP program was established by Title IV of the Marine Protection, Research and Sanctuaries Act in 1990 to address marine research priorities in each region. The legislation provides for the establishment of Regional Marine Research Boards, which must develop research plans that are approved by NOAA and the Environmental Protection Agency. The nine Boards established are - the Gulf of Maine Regional Marine Research Board, the Greater New York Bight Regional Marine Research Board, the Mid-Atlantic Regional Marine Research Board, the South-Atlantic Regional Marine Research Board, the Gulf of Mexico Regional Marine Research Board, the North Pacific Regional Marine Research Board, the Alaska Regional Marine Research Board, and the Insular Pacific Regional Marine Research Board. Since the program's genesis in FY 1992, only the Gulf of Maine Regional Marine Research Board has received funding for research projects.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Scientific publications (refereed)	49	43	41
Technical publications	10	9	9
Conferences - NOAA Sponsored	3	3	3
Workshops, Conferences, and Symposia Presentations	27	24	23
Major field experiments	64	56	53

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Undersea Research Program	Pos.\BA	8	$17,823	8	$6,038	0	($11,785)
	FTE\Obl.	8		8		0	

NOAA requests a net decrease of $11,785,000 for activities in the Undersea Research Program line item.

Regional Marine Research Program (+0 FTE, +$2,100,000): A increase of $2,100,000 is requested for the Regional Marine Research Program which will bring the total program to $4,000,000. These funds will provide funding of research proposals that are consistent with the research plans that the nine Regional Marine Research Boards must develop and have approved by NOAA and the Environmental Protection Agency. Each of the nine Regional Marine Research Boards is expected to have completed research plans in place by the beginning of FY 1994. These plans will provide an overview of the environmental quality conditions in the coastal and marine waters of the region and identify research priorities for addressing the mounting pressures that threaten their ecological integrity. Research efforts may relate to:

- baseline assessments of marine environmental quality;
- effects of contaminants on the environment;
- effects of modification of habitats on the environment;
- assessment of impacts of pollutant sources and discharges into the coastal environment;
- transport and eventual effect of contaminants on the environment;
- marine and estuarine habitat assessment and restoration;
- methods and techniques for modeling environmental quality and trends;
- methods and techniques for sampling of water, sediment, marine and aquatic organisms;
- contaminant effects at various levels on human health;
- environmental assessment of potential effects of major coastal and offshore development projects in the region;
- assessment of the effects of climate change on marine resources; and
- analysis and interpretation of research data for the benefit of State and local environmental protection and resource management agencies in the region.

Under the legislation, 75% of the amount appropriated each year, $3 million in FY 1994, will be allocated on a formula basis to the Boards which have approved research plans. The remaining 25%, $1 million, is handled in a competitive process among all the Boards with approved plans.

The science in the research proposals is all peer reviewed. The program will be closely coordinated with other existing NOAA programs, in particular Sea Grant.

Measures of Performance

	1994	1995	1996	1997	1998
Scientific Publications (Refereed)	5	5	5	5	5
Technical Publications	1	1	1	1	1
Conferences & Presentations	0	0	0	0	0
Workshops, Conferences, & Symposia Sponsored	3	3	3	3	3
Major Field Experiments	7	7	7	7	7
Cost and Benefits:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	2,100	2,100	2,100	2,100	2,100
Total	2,100	2,100	2,100	2,100	2,100
Budget Authority	2,100	2,100	2,100	2,100	2,100
Outlays	1,218	1,806	1,953	2,100	2,100
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Oceanic and Atmospheric Research
Subactivity: Ocean and Great Lakes Program
Program Change: Undersea Research Program

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	2,100
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	2,100

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

National Undersea Research Program (-0 FTE, -$13,885,000): A decrease of $13,885,000 is requested for the National Undersea Research Program as a result of refocussing the program to provide priority services for NOAA. No Federal funding is requested for the regional Undersea Research Centers. Funding will continue, however, for high-priority programs directly supported by the National Office. One National Office program provides NOAA scientists and other civilians access to unique deep submergence vehicles through various interagency and international agreements. The vehicles available include the 4000-meter capable ALVIN (through an agreement between NOAA, the National Science Foundation, and the Office of Naval Research), the Navy's 6000-meter SEA CLIFF, and the Japanese SHINKAI (2000 and 6500 meter). The National Office also provides programs in diving safety and performance directly supporting Section 21(a) of the Outer Continental Shelf Lands Act of 1978.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**Oceanic and Atmospheric Research**
Subactivity:	**Ocean and Great Lakes Program**
Program Change:	**Undersea Research Program**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	(35)
22	Transportation of things	0
23.1	Rental payments to GSA	(5)
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	(343)
26	Supplies and materials	0
31	Equipment	(10)
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	(13,492)
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	(13,885)

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: National Weather Service
Subactivity: Operations and Research

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Local Warning and Forecast	Pos./BA	3,785	$286,680	4,379	$367,986	4,379	$370,849	4,634	$440,678	255	$69,829
	FTE/Obl.	3,644	285,709	4,218	374,260	4,218		4,460		242	
Central Forecast Guidance	Pos./BA	242	28,189	271	28,211	266	28,159	292	30,034	26	1,875
	FTE/Obl.	233	26,432	261	29,968	256		281		25	
Atmospheric and Hydrological Research	Pos./BA	46	2,296	39	2,350	38	2,351	41	2,544	3	193
	FTE/Obl.	44	2,296	38	2,350	37		40		3	
Total	Pos./BA	4,073	317,165	4,689	398,547	4,683	401,359	4,967	473,256	284	71,897
	FTE/Obl.	3,921	314,437	4,517	406,578	4,511		4,781		270	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Weather Service**
Subactivity: **Operations and Research**

Goal Statement

To improve the timeliness and accuracy of meteorological, hydrologic, and oceanographic services by developing new techniques and procedures, applying new technology, and improving methods of disseminating information to reach more people promptly in warning situations.

To furnish weather information for safe, efficient aircraft operations and management of the National Airspace System as recommended by the Department of Transportation's Federal Aviation Administration (FAA) under provisions of the Federal Aviation Act of 1958 and in accordance with International Civil Aviation Organization agreements.

Proposed Legislation

No legislation is proposed.

Base Program

The objectives of this subactivity are to provide timely and accurate meteorological, hydrologic, and oceanographic warnings, forecasts, and planning information to ensure the safety of the population, mitigate property losses, and improve the economic efficiency of the Nation.

NOAA provides around-the-clock weather and flood warning and forecast services to the general public for the protection of life and property and to meet the needs of all segments of the economy. Weather services are provided by a nationwide network of offices that collect data, prepare state and local warnings and forecasts, and disseminate information to the population both directly and indirectly through the mass media. Data, analyses, forecasts, and outlooks used by field forecasters to prepare local forecasts are processed centrally by the National Meteorological Center (NMC). The National Weather Service's (NWS) core mission also depends on the study, development, and testing of new methods for improving basic warnings and forecast capabilities through research.

The NWS has begun the process of modernization and restructuring which was prompted by two factors: (1) the need to apply advances in hydrometeorological science and technology to operational forecasting, and (2) the need to replace obsolete and increasingly unreliable equipment. These replacement systems (discussed under the Systems Acquisition subactivity), coupled with observations from planned, advanced geostationary and polar-orbiting satellites (under the Satellite Observing Systems subactivity), and newly developed mesoscale forecasting techniques (under the Atmospheric Programs subactivity) will improve greatly the timeliness and accuracy of severe weather and flood warnings to the U. S. public.

A Strategic Plan for the Modernization and Associated Restructuring of the National Weather Service was submitted to Congress in 1989. Implementation of the plan will optimize efficiency and effectiveness of the mesoscale warning and forecast program. It also will include an operational demonstration and evaluation program as required by Public Law 102-567 to refine operational procedures and resolve implementation issues best addressed through actual field experience. The National Implementation Plan, updated annually and submitted to Congress, provides a planning framework and general strategies for accomplishing the transition.

The interrelationships of all of the transition activities--facilities preparation, staffing augmentation, training, commissioning of systems, and realigning operations and services--have been planned to implement the most efficient transition possible. The NWS modernization effort involves internal NWS activities and multiple contractor efforts. Internal activities include the provision for land, facilities, software, training, staffing, and new operational procedures. Major systems upgrades are being procured through external contractors who also provide software and training related to systems operations.

The President's FY 1993 stimulus package includes $21 million for modernization activities to bring operations in phase with system deployments. These funds will expedite staffing and training, permit necessary transfers of personnel and office relocations, and permit completion of construction projects in time to receive new NEXRAD units. Currently, transition activities lag behind systems deployments, the result of which is underutilization of the delivered technologies.

Local Warnings and Forecasts: Local weather services are provided through a national network of 52 Weather Service Forecast Offices (WSFOs), 13 River Forecast Centers (RFCs), and approximately 200 small, localized weather offices.

Weather warnings and forecasts: Both WSFOs and Weather Service Offices (WSOs) issue local warnings of severe weather such as hurricanes, tornadoes, severe thunderstorms, flash floods, and extreme winter weather.

- WSFOs prepare forecasts for zones which are comprised of several counties that experience similar weather. Each WSFO has forecast responsibility for several zones which, together, comprise an area the size of an average state. WSFOs issue zone forecasts 4 times daily for a period out to 48 hours; a generalized statewide forecast twice daily; and a more general, extended 5-day forecast on a daily basis. WSFOs also provide the main field forecast support for the marine and aviation programs as well as guidance for the fire weather program.

- All counties in the United States are assigned to specific WSOs or WSFOs for warning purposes. These offices issue and distribute local warnings of severe weather for their assigned counties. WSOs adapt generalized weather forecasts to local areas and issue severe weather and flash flood warnings.

- In preparing local warnings and forecasts, WSFOs use forecast guidance prepared by the National Meteorological Center (NMC) based on worldwide meteorological observations. The National Severe Storms Forecast Center (NSSFC) and the National Hurricane Center (NHC) also provide central support for the local warning program.

Aviation weather services: The NWS provides a broad range of services in support of the aviation community. Fifty-two Weather Service Forecast Offices (WSFOs) prepare site specific airport terminal forecasts three times per day with amendments as needed for over 500 public use airports in the 50 states and in the Caribbean. These offices also produce about 300 individual route-oriented forecasts three times per day for the 48 contiguous states. Weather Service Offices (WSOs) also take observations to meet local aviation requirements.

The National Aviation Weather Advisory Unit, a dedicated aviation unit within the National Severe Storms Forecast Center (NSSFC), prepares Area Forecasts three times daily describing general aviation weather conditions over the lower 48 states. This unit also issues in-flight advisories of hazardous weather conditions associated with thunderstorms, icing turbulence, strong low-level winds, and broad areas of low clouds and/or restricted visibility. In Alaska and Hawaii, these products are issued by WSFOs.

River and flood warnings and forecasts: RFCs prepare guidance used by WSFOs and WSOs to issue flash flood watches and warnings and river forecasts. RFCs provide forecasts of river stage and flow and related products and services for use by water resources managers and other users. Most WSFOs and WSOs support the RFCs by collecting and relaying hydrologic data. NMC provides central support to RFCs by forecasting the movement of large storms that are causing significant precipitation.

Marine weather services: Using weather analyses and forecast guidance provided by NMC, marine weather forecasters at coastal and Great Lake WSFOs issue wind, wave, weather, and ice warnings, forecasts, and other information for the population living and working along the sea coast, off-shore, on the Great Lakes and the high seas. Principal products include small craft advisories, gale, storm, tropical cyclone, and storm surge warnings; coastal, off-shore, and high seas forecasts; sea and swell forecasts; sea and lake advisories; and special weather forecasts to aid in the containment and clean up of oil spills and other hazardous substances in the marine environment.

Agricultural weather services: NWS provides the Nation with generalized agricultural weather services, including observations, advisories, forecasts, and warnings. As part of the Congressionally mandated specialized agricultural weather services, NWS issues warnings of low temperatures injurious to winter and spring crops, particularly in citrus and deciduous fruit-growing areas.

Fire weather services: Designated NWS offices provide weather warning, forecast, and advisory services to Federal, state, and local wild land management agencies to support wildfire control and suppression activities. Localized weather forecasts are issued, as required, during a fire. NWS offices also provide site-specific forecasts and advisories to Federal and state natural resource agencies for prescribed burning and smoke management, insect and disease control, planting and cultivating new growth, preservation of watersheds, and promotion of wildlife habitat and recreational facilities.

Tsunami warnings: Tsunami watches and warnings for Pacific Ocean areas and Alaska are prepared and issued by the Tsunami Warning Center at Ewa Beach, Hawaii, and the regional center at Palmer, Alaska. NWS collects and analyzes observational data from an international network of seismological observatories and sea level observing stations which operate on a cooperative basis. The centers use the data to prepare watches and warnings covering all U.S. territories and states bordering on the Pacific Ocean and disseminate them to WSFOs, Federal and state disaster agencies, military organizations, private broadcast media, and other facilities that can furnish warning information to the public.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Percent of severe storms for which warnings are issued	65	66	70
Percent of warnings correctly issued	50	52	60
Percent of upper air data availability	96	96	96
Availability of radar observations once per hour:			
WSR-74S	90	88	88
WSR-74C	94	93	93
WSR-57	86	84	84
WSR-88D (commissioned systems)	...	...	96
Percent of data availability from moored buoys:			
Meteorological observations	80	80	80
Wave measurements	80	80	80
Percent of data availability from Coastal-Marine Automated Network (C-MAN Stations)	80	80	80

Central Forecast Guidance: Over the last several decades, NOAA has made major improvements in forecasting synoptic-scale (large-scale, slowly evolving) weather. NOAA can implement significant improvements in the severe weather and flood warnings program with continuing improvements in larger scale, centrally prepared weather guidance products for day 2 and beyond, implementation of NWS systems upgrades, advanced observations from the planned geostationary and polar-orbiting satellites, and the development of mesoscale predictive techniques for NWS field operations.

General weather guidance: The National Meteorological Center (NMC) provides centralized processing of data, analyses, forecasts, and outlooks required by field forecasters as a basis for local forecasting. The NMC, using numerical forecasting techniques run on large computers, provides the NWS, other government agencies, private industry, and foreign users with guidance forecasts covering periods out to 10 days. When necessary, NMC provides guidance in tracking hurricanes (to 72 hours) and in forecasting the movement of large storms that cause significant precipitation.

In the course of its 24-hour-per-day, year-round operation, the NMC receives approximately 50,000 surface observation reports from land stations, 3,000 reports from ships, 4,100 upper air observations, and 3,000-4,000 reports from aircraft. Weather satellites provide cloud images, atmospheric temperature soundings, and sea-surface temperatures. Ocean buoys provide additional information on sea temperatures, ocean currents, and air-sea interactions. These data are processed, catalogued, used in the various forecast guidance model runs, and distributed widely to field offices, other government agencies, private subscribers, and overseas users.

Severe storm guidance: The National Severe Storms Forecast Center (NSSFC) in Kansas City, MO, prepares and releases messages of expected severe local storms, including tornadoes. These messages, called Tornado or Severe Thunderstorm Watches, include information for public use and aviation services. NSSFC meteorologists continuously monitor weather developments and issue watches when needed. NOAA will continue to develop systems application programs designed to streamline use of the satellite and numerical weather prediction data by forecasters to improve severe storm guidance.

Hurricane guidance: Two Hurricane Forecast Centers forecast the path and intensity of hurricanes, other tropical disturbances, and associated sea conditions. These two centers are the National Hurricane Center (NHC) in Miami, FL, and the Central Pacific Hurricane Center (CPHC) in Honolulu, HI. A portion of NHC's responsibility for public warnings rests with the Hurricane Warning Office at San Juan, PR. NMC provides forecast guidance on the track and intensity of hurricanes based on numerical models.

Special hurricane forecasting staff at NHC base their predictions, advisories, and warnings on subjective and objective methods. The hurricane forecasting functions at the NHC and CPHC are integrated with the regular forecasting functions of the Weather Service Forecast Offices at which these Centers are located. NOAA will continue to improve hurricane guidance through development of techniques and programs that maximize use of satellite data and through implementation and calibration of storm surge models.

Long range (climate) guidance: The Climate Analysis Center prepares monthly and seasonal (90-day) outlooks; collects and analyzes data to depict current anomalies of climate; and develops predictive techniques, performs diagnostic studies of large-scale climate anomalies, and conducts stratospheric research, all to improve the accuracy of climate outlooks. NOAA will continue to incorporate improvements in long-range climate guidance.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Accuracy of model forecasts:			
Percent skill in 36 hour forecasts (500 mb)	66	67	69
Percent of severe storms for which watches are issued	61	62	62
Percent of watches correctly issued	42	43	44
Central Computer User Factors:			
CPU User Time (1990 system hours - base)	55,000	100,000	175,000

Atmospheric and hydrological research: NWS conducts applied research, building upon the more basic research conducted by NOAA research laboratories and the academic community. Applied meteorological and hydrological research is integral to providing more timely and accurate weather and flood warning and forecast services to the U.S. public.

Meteorological research: NWS will conduct meteorological research to develop, test, evaluate, and improve numerical models and analysis/forecast techniques used in weather and climate prediction including:

- Techniques for predicting mesoscale phenomena (e.g., heavy precipitation, tornadoes, and severe thunderstorms). These techniques will be developed and improved to use digital data from new observing systems, such as NEXRAD (Next Generation Weather Radar), and GOES-NEXT (geostationary satellites with higher resolution);
- Models to improve hurricane tracking, hurricane probability estimates, and analyses; and
- Storm surge models to assist in developing hurricane evacuation plans for coastal basins.

Hydrological research: NWS will develop improved hydrologic and hydrometeorological models and procedures in support of the national flood forecasting and water resources forecasting programs including:

- Improvements to the Extended Streamflow Prediction model and its complementary models in the National Weather Service River Forecast System;
- Specialized flood and flash flood forecasting procedures using linked hydrological and meteorological models; and
- Algorithms to combine NEXRAD precipitation estimates with data from satellites and other ground-based observation systems.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Operations and Research	Pos\BA	4,683	$401,359	4,967	$473,256	284	$71,897
	FTE\Obl	4,511		4,781		270	

Maintain Current Levels of NWS Operations (+0 FTE, +$20,348,000) NOAA requests an increase of $20,348,000 for National Weather Service (NWS) operations funding in FY 1994 to maintain the current level of weather services to the public

Over the past several years, NWS has not been able to maintain public weather services and operation of all NWS offices within appropriated funding levels To prevent service reductions, the Congress has concurred with three reprogrammings and provided supplemental funding to maintain current services in the past four years Again in FY 1993, NWS continues operations at minimal levels, and will examine all alternatives for maintaining required services

A recovery plan was developed and begun during FY 1992 to allow NWS to operate at current service levels within appropriated amounts Temporary, one-time efforts were implemented to bridge the funding gap between available funding and the NWS operational requirements However, this recovery plan requires that NWS receive full funding of this FY 1994 initiative Without funding of this initiative in FY 1994, permanent service reductions will be initiated Equipment replacement and repair cannot continue to be deferred while repair costs and failure rates of aging equipment continue to escalate The permanent reductions to current services include employee reductions, office closures, and reductions in service hours

NWS Transition (MARDI) (+270 FTE, +$52,497,000) NOAA requests an investment increase of 270 FTE and $52,497,000, to fund the staffing and training required to operate new Next Generation Weather Radar (NEXRAD) units at future WFOs which will significantly improve severe weather warning capabilities, to provide funding necessary to prepare for a multi site operational demonstration, and to provide funding in support of the certification requirements of P L 102 567 The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package

Delays in the transition to modernized operations make it critical now to expedite WFO/RFC staffing and training in FY 1994, as well as associated system work This acceleration will close the gap between facilities construction and major system deployments, and the corresponding internal NWS operational transition needed to fully use these capabilities. To make the transition successful, the NWS needs to continue the field staffing and training, complete scheduled WFO/RFC relocations; continue with NOAA Weather Radio Console Replacement and other system development, accomplish certifications, and aggressively manage the transition. In general, the transition cost basis is determined by site-specific activities and staffing requirements, as well as timing of activities that are keyed to the NEXRAD, ASOS, and AWIPS delivery schedules. The increase requested consists of five basic efforts:

- Field Workforce Transition: The transition of the workforce is very complex and dependent upon a number of related activities; it is by far the major transition component and will comprise an estimated 73% of resources required over the decade. The effort involves interim staffing augmentation, substantial personnel transfers to support the nationwide restructuring, and extensive workforce scientific education to train personnel and thereby capture the full benefits of modernization.

  Interim field staffing augmentation is required to establish future offices while at the same time maintaining current services. The only alternatives to staffing augmentation require part-timing or closing current offices in violation of Public Law 102-567. The transition of the workforce will be accomplished by adding new positions to future field offices while drawing down positions from offices that eventually will close. During this transition, all current services will be maintained. Permanent Changes of Station (PCSs) are required to transfer the appropriate number and mix of qualified meteorologists, hydrologists, hydrometeorological technicians, and some electronics technicians to future WFOs and RFCs.

  Specific scientific education is also required in order to fully understand what the new data and information portray. This understanding is essential not only to providing future services, but to ensure that services are not actually degraded by the vast amount of new data that will become available. Requirements in FY 1994 for scientific education include continuation of the COMET grant, development of additional computer-based modules and in-residence courses for specialized positions.

- Weather Office Relocations: The Facilities Modernization Program will bring into existence 116 new or refurbished WFO/RFC facilities. Establishing these new operational facilities requires preparation such as relocating equipment from existing offices into future offices. Included in this element are items such as installation of office communications, relocation of existing equipment and furniture, recabling and reinstallation of existing equipment, and increased office rentals and maintenance.

- Ancillary Systems: In order to fully achieve modernization, WFOs and the National Meteorological Center (NMC) require upgrades to communications, processing and dissemination systems. There are four ancillary systems under development: AFOS Z communications, NOAA Weather Radio Console Replacement System (CRS), RFC prototyping and precipitation processing, and NMC centralized data processing. The CRS in particular is essential for substantial staff reductions in the later stage of the transition.

- Certification: Certification defined by P.L. 102-567 requires the Secretary of Commerce to certify that services currently provided by a Weather Service Office (WSO) will not be degraded when that office is consolidated, automated, relocated or closed. This initiative includes support for the preparation and conduct of a user survey in the demonstration area and for the aggregation of certification evidence required to phase-down those offices earmarked for closure. Also included are specific risk reduction activities to ensure that ASOS, NEXRAD, and AWIPS systems are effectively integrated into future operations without degrading services.

- o Transition Management: Sound management principles, as well as P.L. 102-567, require the NWS to provide uninterrupted nationwide weather services and to accomplish the modernization in a cost effective and timely manner. Managing this complex transition requires an extended management team in NWS national and regional headquarters. The team will manage the transition during the 1990s and will be gradually phased out as the modernization progresses to conclusion.

Modernization and Associated Restructuring of the NWS will provide tangible benefits to the country in both quantifiable and non-quantifiable forms. Benefits of $7 billion per year once modernization is complete include 1) an enhancement in the value of weather information to the public; and 2) economic benefits due to improvements in weather forecasting which enable decision makers in various sectors of the economy (e.g., aviation, agriculture, construction, and manufacturing) to take action to avoid weather-caused losses. Non-quantifiable benefits include 1) a reduction in weather related fatalities expected due to improvements in warning credibility, lead times and geographical specificity; and 2) new avenues of hydrometeorological research within the Government, the private sector, and academia, that will be possible because of the vast amount of new observation data that modernization will bring.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**National Weather Service**
Subactivity:	**Operations and Research**
Program Change:	**Maintain Current Levels of NWS Operations**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	15,705
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	15,705
12.1	Civilian personnel benefits	4,643
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**20,348**

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**National Weather Service**
Subactivity:	**Operations and Research**
Program Change:	**NWS Transition (MARDI)**

Object class		**FY 1994 Increase**
11	Personnel compensation	
11.1	Full-time permanent	16,651
11.3	Other than full-time permanent	
11.5	Other personnel compensation	1,129
11.8	Special personnel services payments	
11.9	Total personnel compensation	17,780
12.1	Civilian personnel benefits	14,872
13.0	Benefits for former personnel	
21	Travel and transportation of persons	1,581
22	Transportation of things	3,244
23.1	Rental payments to GSA	
23.2	Rental payments to others	(499)
23.3	Communications, utilities and miscellaneous charges	4,417
24	Printing and reproduction	247
25	Other services	7,250
26	Supplies and materials	999
31	Equipment	2,629
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	67
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**52,497**

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necessary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

Decreases of $948,000 are requested as follows:

> A reduction of $190,000 is requested for contract observers located at Stampede Pass, Washington; Sexton Summit, Oregon; and Blue Canyon, California. These manual observations are no longer needed. The new Automated Surface Observing System (ASOS) has been installed at all these locations.
>
> A reduction of $240,000 is requested for the American Samoa Weather Service Office. In FY 1992, a Congressional add-on was provided for the American Samoa Weather Service Office. Hurricane damage has been repaired, additional equipment has been purchased, and upgrades to the office have been made to maintain existing weather service.
>
> A decrease of $518,000 is requested to reduce the level of engineering development and redesign at the National Data Buoy Center. Adequate resources remain to maintain a level of acceptable reliability of observational data.

Measures of Performance:

	1994	1995	1996	1997	1998
NEXRAD Offices (cumulative)					
Staffing:					
- Target requirement	29/(79)	36/(115)	0/(115)	0/(115)	0/(115)
- Budgeted	62/(79)	36/(115)	0/(115)	0/(115)	0/(115)
Commissioned:					
- Target	29/(39)	40/(79)	36/(115)	0/(115)	0/(115)
- Budgeted	22/(30)	49/(79)	36/(115)	0/(115)	0/(115)

Cost and Benefits:	1994	1995	1996	1997	1998
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	71,897	80,979	64,865	65,355	46,897
Total	71,897	80,979	64,865	65,355	46,897
Budget Authority	71,897	80,979	64,865	65,355	46,897
Outlays	41,700	67,099	65,328	66,770	55,709
FTE	270	440	134	(7)	(209)
Benefits	2,500,000	3,500,000	4,500,000	6,000,000	7,200,000

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity: **National Weather Service**
Subactivity: **Operations and Research**
Program Change: **Operations and Research**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	(93)
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	(93)
12.1	Civilian personnel benefits	(12)
13.0	Benefits for former personnel	
21	Travel and transportation of persons	(38)
22	Transportation of things	(5)
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	(24)
24	Printing and reproduction	
25	Other services	(723)
26	Supplies and materials	(20)
31	Equipment	(33)
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(948)

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity National Weather Service
Subactivity Systems Acquisition

Line Item		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) Over 1994 Base Personnel	Increase/ (Decrease) Over 1994 Base Amount
Public Warning and Forecast Systems	Pos./BA	259	$157,067	148	$128,621	146	$125,751	146	$199,844	0	$74,093
	FTE/Obl.	250	139,468	143	146,220	141		141		0	
Total	Pos./BA	259	157,067	148	128,621	146	125,751	146	199,844	0	74,093
	FTE/Obl.	250	139,468	143	146,220	141		141		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Weather Service**
Subactivity **Systems Acquisition**

Goal Statement

To provide timely and accurate meteorological, hydrologic, and oceanographic warnings, forecasts, and planning information to ensure the safety of the population, mitigate property losses, and improve the economic efficiency of the Nation

Statement of Operating Objectives

To develop, acquire, and deploy major new systems to modernize the National Weather Service (NWS) in order to provide more timely and accurate weather and flood warnings and forecasts.

Base Program

Consistent with the goal of providing more timely and accurate weather and flood warning and forecast services to the public, NOAA is modernizing the national weather system during the 1990s through the acquisition of technologically advanced systems:

Next Generation Weather Radar (NEXRAD) will replace existing obsolete weather radars and enhance severe weather and flood warnings. Nationwide implementation of this advanced Doppler radar warning system can increase tornado warning lead times from the current average 0-2 minutes to 20-30 minutes and, equally important, reduce false warning rates. Accurate mapping of precipitation also will be possible on a wide scale, enabling extensive improvements in forecasting river plain flooding and flash floods.

FY 1992 Accomplishments:

- Established hardware and software baseline for NEXRAD
- Completed delivery of seven limited production systems
- Delivered three full scale production units to NWS sites
- Continued engineering design and site preparation for NEXRAD radar/communications sites

FY 1993 Plans:
- Complete all software development
- Deliver twenty-four full-scale production units to NWS sites
- Continue engineering design and site preparation for NEXRAD radar/communications sites
- Operations responsibility transferred to the Operational Support Facility

FY 1994 Plans:
- Deliver thirty-four full-scale production units to NWS network sites
- Establish initial NEXRAD depot repair capability
- Continue engineering design and site preparation of NEXRAD radar/communications sites

Automated Surface Observing Systems (ASOS) will provide reliable, 24-hour per day, continuous surface weather observations. Implementation of ASOS into NWS field operations will reduce time-consuming manual observations, provide continuous weather watch, and yield improved staff productivity. NOAA is developing and competitively acquiring ASOS units in cooperation with DOT/FAA and DOD/Navy. Recognizing the value of an integrated systems approach and NWS demonstrated expertise, the FAA and DOD have asked NWS to assume responsibility for acquiring, implementing, and maintaining planned FAA and DOD ASOS systems under reimbursable funding arrangements.

FY 1992 Accomplishments:
- Completed all remaining ASOS limited production installations: 11 NWS, 25 FAA, and 1 Navy
- Began ASOS full production
- Completed installation of additional 86 ASOS units: 14 NWS, 71 FAA, and 1 Navy

FY 1993 Plans:
- Complete installation of additional 225 ASOS units. 77 NWS, 145 FAA, and 3 Navy
- Award options for 81 NWS systems for installation in FY 1994

FY 1994 Plans:
- Complete installation of additional 237 ASOS units. 78 NWS, 139 FAA, and 20 Navy
- Award options for 70 NWS systems for installation in FY 1995

Advanced Weather Interactive Processing System (AWIPS)/NOAAPORT will integrate all meteorological and hydrological data at the NWS field offices. This system will integrate satellite and radar data for the first time and provide to the local field forecaster the same capability that has been shown to significantly improve forecasts and warnings under NOAA's program called the Program for Regional Observing and Forecasting Services (PROFS). In addition to supporting the remapping of GOES data, NOAAPORT will provide the communications capability needed to afford internal and external users with access to much of NOAA's real-time environmental data.

FY 1992 Accomplishments:

- Rebaselined program to mitigate risk
- Continued Definition Phase contract work
- Completed Development Phase and out-phase proposal evaluations
- Continued risk reduction activities at Boulder, Denver, Norman, and Tulsa

FY 1993 Plans:

- Complete Definition Phase
- Secretarial reaffirmation of mission need
- Award Development Phase contract; begin system development activities
- Continue risk reduction activities at Boulder, Denver, Norman, and Tulsa
- Acquire Government Development Platforms from AWIPS contractor
- Commence in-house development of algorithms required for Planned Product Improvement efforts

FY 1994 Plans:

- Continue Development Phase contract work
- Continue risk reduction activities at Boulder, Denver, Norman, and Tulsa
- Continue in-house development of algorithms required for Planned Product Improvement efforts

The NOAA Central Computer Upgrade, begun in FY 1990, will lead to more accurate and more specific forecasts of major storms including hurricanes, severe thunderstorms, floods and winter storms, and more accurate general weather forecasts in the medium (3 to 10 day) and extended (30 day) range. Continued improvements in larger scale, centrally prepared weather guidance products for day 2 and beyond are essential to successful implementation of mesoscale forecasting in NWS field operations where field forecasters will concentrate on the mesoscale processes for forecasting less than 36 hours.

FY 1992 Accomplishments/Plans:

- Install an automated tape mass storage system

FY 1993 Plans:

- Initiate procurement of Class VII computer
- Initiate procurement of replacement front-end system
- Begin installation of electrical power protection system
- Initiate contract for workstations
- Pre-operational testing of Global Model and the Mesoscale Model
- Complete preparation for more frequent update of higher resolution analysis

FY 1994 Plans:

- Full implementation of Class VII system
- Installation of front-end system
- Award contract for workstations
- Operational implementation of higher resolution Global Model, Mesoscale Model, and rapid update cycle

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
NEXRAD - Number of network systems delivered	6	24	34
ASOS - Number of systems deployed	25	77	78
Central Processing Unit User Time (1990 system hours - base)	55,000	100,000	175,000

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
System Acquisition	Pos.\BA	146	$125,751	146	$199,844	0	$74,093
	FTE\Obl.	141		141		0	

Program increases:

Next Generation Weather Radar (NEXRAD) (+0 FTE, +$40,589,000): NOAA requests an investment increase of $40,589,000 to continue the procurement and fielding of NEXRAD radars and user equipment via the multi-year economic quantity buy, funded incrementally. The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package. The FY 1994 requirement is the last substantive hardware funding increment. Radars are being built to a revised technical requirement which meets tri-agency certification requirements while incorporating the results of Development Testing & Evaluation and baselined software. The FY 1994 resources include allocated funding of $1.6 million for SPO acquisition management of the system.

Automated Surface Observing System (ASOS) (+0 FTE, +$625,000): NOAA requests an investment increase of $625,000 for the Automated Surface Observing System program to continue with the full-scale production phase. The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package. The requested level of $18,135,000 will maintain the full NWS production rate during FY 1994 and will provide for the purchase of 70 NWS ASOS systems and the deployment of 78 systems, which is consistent with the requirements of the production contract. The current ASOS purchase/deployment schedule is linked to future reallocation of staff time for taking observations that will permit redirection of staff to other critical needs of the NWS modernization as well as to improvements in aviation safety at the affected airports. The FY 1994 request includes allocated funding ($225,000) for SPO acquisition management of the system.

Advanced Weather Interactive Processing System (AWIPS)/NOAAPORT (+0 FTE, +$29,746,000): NOAA requests an investment increase of $29,746,000 to continue Development Phase activities initiated in December 1992. The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package. During the 39-month Development Phase, the AWIPS Program Office will conduct all necessary risk reduction and pre-deployment activities; the contractor will complete system development work and equip a limited number of sites, and the National Weather Service will conduct Operational Test & Evaluation activities. The FY 1994 resources include allocated funding ($475,000) for SPO acquisition management of the system.

NOAA Central Computer Facility Upgrade (+0 FTE, +$3,133,000): NOAA requests an investment increase of $3,133,000 to continue the upgrade of the NOAA Central Computer Facility. The investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package. The requested level of $14,600,000 is required to meet operational goals in atmospheric and oceanic prediction and in processing environmental information from weather and ocean data systems through the 1990s.

Measures of Performance:

	1994	1995	1996	1997	1998
Number of NEXRAD Radar deliveries	35	36	11		
Number of NEXRAD System Acceptances	35	36	20		
Number of AWIPS Sites Accepted	0	14	26	84	18
ASOS systems purchased	57	15			
ASOS systems deployed	78	64			
CPU User Time based on 1992 Class VI (hours)	175,000	235,0000	400,000	550,000	1,000,000

(Dollar amounts in thousands)

	1994	1995	1996	1997	1998
Cost and Benefits:					
Direct Obligations					
Capitalized	52,875	(24,963)	(873)	2,047	(59,636)
Uncapitalized	21,218	26,242	22,628	19,822	15,523
Total	74,093	1,279	21,755	21,869	(44,113)
Budget Authority	74,093	1,279	21,755	21,869	(44,113)
Outlays	42,974	21,487	18,162	24,052	(17,850)
FTE	0	54	38	13	1
Benefits	115,000	270,000	350,000	510,000	2,310,000

National Weather Service Major System Costs

(Dollar amounts in thousands)

	FY 92 & Prior	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	ALL YEARS
NEXRAD	$452,484	$84,516	$123,545	$56,641	$30,051	$25,370	$23,938	$796,545
ASOS	$68,546	$18,000	$18,135	$9,965	$6,920	$4,250	$4,250	$130,006
AWIPS\NOAAPort	$99,018	$23,779	$43,564	$46,550	$100,085	$105,100	$43,450	$461,546
Upgrade Central Computer	$21,567	$7,826	$14,600	$13,874	$10,450	$12,900	$10,000	$91,217

Exhibit 14

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE PERSONNEL DETAIL
(Dollar amounts in thousands)

Activity: National Weather Service
Subactivity: Operations and Research
Program Change: NWS Transition (MARDI)

Title:		Grade	Number	Annual Salary	Total Salaries
VARIOUS			284	$32,263	$32,263
Total			284		32,263
Less Lapse	5.00%		(14)		0
Total Full-Time Permanent			270		32,263
1994 Pay Adjustment					0
Total					$32,263

Personnel Data	Number
Full-Time Equivalent Employment	
Full-time permanent	270
Other than full-time permanent	0
Total	270
Authorized Positions :	
Full-time permanent	284
Other than full-time permanent	0
Total	284

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **National Weather Service**
Subactivity **Systems Acquisition**
Program Change. **Public Warning and Forecast Systems**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	4,177
11.3	Other than full time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	4,177
12.1	Civilian personnel benefits	1,109
13.0	Benefits for former personnel	
21	Travel and transportation of persons	(3)
22	Transportation of things	3
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	41,603
26	Supplies and materials	877
31	Equipment	26,327
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	Direct obligations	74,093

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: National Environmental Satellite, Data and Information Service
Subactivity: Satellite Observing Systems

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Polar Orbiting System	Pos./BA	2	$130,392	0	$153,932	0	$152,056	0	$162,099	0	$10,043
	FTE/Obl.	2	128,228	0	158,932	0		0		0	
Geostationary System	Pos./BA	0	$137,514	0	$118,000	0	$116,565	0	$182,746	0	$66,181
	FTE/Obl.	0	137,514	0	118,000	0		0		0	
Landsat Commercialization	Pos./BA	0	2,600	0	0	0	0	0	0	0	0
	FTE/Obl.	0	10,160	0	0	0		0		0	
Environmental Observing Systems	Pos./BA	537	55,455	664	47,600	652	48,502	652	50,284	0	1,782
	FTE/Obl.	517	47,580	640	47,915	628		628		0	
Total	Pos./BA	539	325,961	664	319,532	652	317,123	652	395,129	0	78,006
	FTE/Obl.	519	323,482	640	324,847	628	0	628	0	0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Environmental Satellite, Data, and Information Service**
Subactivity: **Satellite Observing Systems**

Goal Statement

The goals of the Satellite Observing Systems subactivity are: to maintain a system of polar-orbiting satellites that obtain global environmental data; to maintain a system of geostationary satellites that provide near-continuous observations of the earth's western hemisphere; to monitor the Earth's surface and space environment conditions; to introduce improved atmospheric and oceanic observations and data dissemination capabilities; and to develop and provide new and improved applications and products for a wide range of Federal agencies, state and local governments, and private users.

Proposed Legislation

No legislation is proposed.

Base Program

The base program for this subactivity includes the procurement, launching, and operation of the polar-orbiting and geostationary satellites, and procurement, operation, and maintenance of their associated ground systems. These satellites provide environmental data for a wide range of national and international applications, including weather forecasts and warnings produced by the National Weather Service. The subactivity also includes processing and analysis of the satellite data, dissemination of the data to users, research to improve the satellite system capabilities, studies to define future system needs, and operation of the Search and Rescue program to locate ships and aircraft in distress.

Polar-Orbiting System: The operating objectives of the polar-orbiting system line item are to continue procurement of spacecraft, instruments, launch services, and ground equipment necessary to maintain an uninterrupted operational polar-orbiting satellite system for the following purposes: (1) obtain quantitative environmental data such as temperature, moisture, radiation flux, and solar energetic particle flux, used in numerical analysis and prediction programs; (2) locate and collect data from remote, fixed and moving platforms, such as buoys, balloons, and ships; (3) provide visible and infrared imagery and radiation flux of the earth and its environment on a regular basis through direct read-out and environmental data broadcasts to ground stations; and (4) provide Search and Rescue data to locate aircraft and ships in distress.

This line item includes the procurement and launch of the polar-orbiting operational environmental satellites, and procurement of the ground system components which command and control the satellites and acquire data from them. The polar-orbiting system obtains global qualitative and quantitative environmental data. Qualitative data include visible and infrared images of cloud and weather features; quantitative data include measurements of the vertical temperature of the atmosphere, sea surface temperatures, vegetation index, and solar environmental data. The principal products derived from polar-orbiting satellite data are: (1) vertical temperature and moisture soundings, (2) sea surface temperature measurements, (3) global cloud cover images and mosaics, (4) crop assessment parameters for agriculture monitoring, (5) Search and Rescue, (6) total ozone measurements, and (7) global heat balance data for climatological analyses. Data from these satellites are also used to produce snow-cover and sea- and lake-ice maps. The polar-orbiting satellites collect data from buoys, ships, aircraft, and remote platforms and relay them to a central processing and distribution site. They provide a relay function for global emergency signals from aircraft and ships in distress under an international Space System for Search of Vessels in Distress/Search and Rescue Satellite Aided Tracking (COSPAS/SARSAT) program. A key element in the success of this program, in addition to the space hardware segment, is the ground processing segment for receiving, processing, and distributing alert notification and location data. Over 300,000 Emergency Locator Transmitters (ELT's) used by aircraft, and approximately 6,000 beacons in the U.S. recreational and fishing fleet are served by this program. The polar-orbiting satellite program also provides primary domestic backup for the GOES system in the event of a no-GOES situation.

NOAA 11, launched in September, 1988 and NOAA-12, launched in May, 1991 are the current operational satellites. The subsequent satellites, NOAA I, J, and the NOAA KLM series, will provide polar-orbiting satellite coverage through the late 1990's. Two additional NOAA KLM series satellites, NOAA-N and N Prime, are in the early procurement phase. The follow-on series which will succeed NOAA N Prime is in the initial stages of design and procurement. Agreement in principle has been reached for Europe to provide the platform for the morning segment of the post NOAA-M program. Procurement of the polar-orbiting satellites is a cooperative venture in which NOAA and NASA have key roles. NOAA as the operating agency represents the user and defines the basic requirements for the system. NASA, as the agency with multi-disciplinary engineering expertise, develops detailed specifications and procures and arranges for launches of the spacecraft. NASA is reimbursed for these services by NOAA. The polar-orbiting program also entails cooperation with the United States Air Force (USAF); the spacecraft are launched on USAF launch vehicles and the NOAA I and J spacecraft will carry USAF-funded experimental instruments as a cost-saving approach for access to space.

The sounder on the satellites through NOAA J is comprised of three instruments: the High-Resolution Infrared Radiometric Sounder (HIRS); the Stratospheric Sounding Unit (SSU), which is provided by the United Kingdom; and the Microwave Sounding Unit (MSU). The combination of these three instruments is called the TIROS Operational Vertical Sounder (TOVS). On the NOAA KLM series of spacecraft, an Advanced Microwave

Sounding Unit (AMSU) will replace both the SSU and the MSU on the TOVS. The AMSU will have a greatly improved microwave all-weather sounding capability. A portion of the AMSU will be furnished by the United Kingdom.

The contract for the NOAA KLM spacecraft was awarded in July, 1988. With the exception of the improved sounding unit, AMSU, the functional specifications for the NOAA KLM series are similar to those of NOAA J. The NOAA KLM spacecraft will be three-axis stabilized satellites carrying the following instruments:

- TOVS - Tiros Operational Vertical Sounder; collects atmospheric temperature and water vapor profiles. (Partly furnished by the U.K.)
- AVHRR - Advanced Very High Resolution Radiometer; collects medium resolution (4 km) radiometric data over the entire globe focentralized analyses and for global broadcast through the Automatic Picture Transmission (APT) system and tape-recorded relay to NOAA ground stations. It also provides high resolution (1 km) data with direct readout through the High Resolution Picture Transmission (HRPT) system.
- DCPLS - Data Collection and Platform Location System (ARGOS), furnished by France.
- SEM - Space Environment Monitor; measures solar activity.
- SBUV - Solar Backscatter Ultra Violet ozone monitoring instrument; collects global ozone measurements.
- SAR - Search and Rescue Instrument; Canada provides the spacecraft beacon and France provides the onboard processor.

The following launch schedule for the polar-orbiting system is for planning purposes only:

PLANNING LAUNCH SCHEDULE - POLAR SYSTEM

NOAA-I	CY 1993
NOAA-J	CY 1994
NOAA-K	CY 1996
NOAA-L	CY 1997
NOAA-M	CY 1999
NOAA-N	CY 2000
NOAA-N Prime	CY 2002

Actual replacement launch dates are dependent on performance of previous spacecraft in orbit. The above schedule is based on analyses of in-orbit capabilities and life expectancy estimates. For planning purposes, the nominal operational life of a polar-orbiting satellite is 36 months on average; planning schedules must factor in the potential for launch failures and early-orbit spacecraft failures. All satellites through NOAA J will be launched on Atlas vehicles obtained from the Air Force, through NASA on a reimbursable basis. The NOAA K through N Prime series of satellites is planned to be launched on Titan II launch vehicles, also procured by the Air Force through NASA.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of:			
Complete global temperature and water vapor profiles collected	45.8 M	45.8 M	45.8 M
Global cloud cover images collected	6,000	6,000	6,000
Collections from remote terrestrial and marine observation platforms	36.0 M	39.2 M	42.7 M
Remote platforms in service end of year	21,635	23,583	25,705
Global ozone measurements collected	404,500	404,500	404,500
Persons rescued through SARSAT system	372	417	467
Emergency beacons in service at end of year	320,000	360,000	400,000

Exhibit 13

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
INCREASE FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
Polar Orbiting System	Pos.\BA	0	152,056	0	162,099	0	10,043
	FTE\Obl.	0		0		0	

Polar-Orbiting System (+0 FTE, +$10,043,000): NOAA requests an investment increase of $10,043,000 for procurement of NOAA K, through N Prime spacecraft required to maintain continuous two-spacecraft polar-orbiting coverage into the early 2000's and continue development and procurement of the follow-on system required to succeed the current series of spacecraft. This investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that contains the President's deficit reduction package.

Background: NOAA is the civilian satellite agency responsible for providing the Nation with global environmental satellite data. These data are a critical input to NOAA's National Weather Service forecasts and warnings, and are also used in global climate and other environmental analyses. The polar-orbiting spacecraft also provide one of the two satellite systems that make up the international Search and Rescue program.

Proposed Actions: The FY 1994 request supports development and production of operational polar-orbiting spacecraft and instrument payloads in three major time frames.

1) Continues procurement of the last spacecraft in the NOAA A-J series, an Atlas E booster, and related launch services. NOAA J is scheduled for launch in CY 1994.

2) Continues procurement of the NOAA K, L, M series of spacecraft and instrument payloads, Titan II boosters, and related launch services. NOAA K, L, and M are scheduled for launch between CY 1996 and CY 1999.

3) Procurement of NOAA N and N Prime satellites and two sets of instruments for the European satellites that will provide a.m. coverage, currently planned for the year 2000.

4) Continue system instrument design to meet post NOAA-N Prime polar orbiting system requirements

The FY 1994 request also supports modifications and additions to NOAA command and data acquisition stations at Fairbanks, Alaska, Wallops Island, Virginia, and data receiving facilities in Suitland, Maryland that are required to support these missions.

Continuity of polar-orbiting spacecraft coverage is essential to NOAA operational weather forecasts and warnings, the Search and Rescue program, and a number of additional operations and research missions. Failure to fully fund this request will reduce data available for weather forecasts and warnings, substantially increase delays in responding to aviation and maritime accidents where the Search and Rescue System can be critical to saving lives, create gaps in long-term environmental data such as ozone required for climate change research, and otherwise jeopardize program continuity. Schedules would slip and consequently, overall costs for the program would increase.

	1994	1995	1996	1997	1998
Costs					
Direct Obligations					
Capitalized	10,043	57,062	100,601	113,812	96,111
Uncapitalized	0	0	0	0	0
Total	10,043	57,062	100,601	113,812	96,111
Budget Authority	10,043	57,062	100,601	113,812	96,111
Outlays	5,825	35,908	75,030	98,876	98,647
FTE	0	0	0	0	0

POLAR SYSTEM

(Dollar amounts in thousands)

	FY 92 & Prior	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	TO COMPLETE	ALL YEARS
NOAA A-J:									
Spacecraft	315,970	11,100	11,056						338,126
Launching	150,212	1,614	29,882						181,708
	466,182	12,714	40,938						519,834
NOAA KLM:									
Spacecraft	250,829	68,398	57,339	26,340	31,313	22,476	7,427	17,940	482,062
Launching	46,183	23,820	13,822	12,078	13,944	6,892	8,327		125,066
	297,012	92,218	71,161	38,418	45,257	29,368	15,754	17,940	607,128
Follow-on System	33,500	47,000	45,000	165,700	202,400	231,500	229,414	822,486	1,777,000
Ground Systems (A-M)	47,516	2,000	5,000	5,000	5,000	5,000	3,000	—	72,516
Total Program	844,210	153,932	162,099	209,118	252,657	265,868	248,168	840,426	2,976,478

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	**National Environmental Satellite, Data, and Information Services**
Subactivity:	**Satellite Observing Systems**
Program Change:	**Polar Orbiting System**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	10,043
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	10,043

Geostationary System: The operating objectives of the geostationary system line item are to continue procurement of spacecraft, instruments, launch services, and ground equipment necessary to maintain an uninterrupted, two-satellite, operational geostationary satellite system for the following purposes: (1) provide images of the United States, including adjacent ocean areas, to enable detection of hurricanes and other major weather events, for use in weather forecasts and warnings; (2) obtain quantitative environmental data such as temperature, moisture, wind, radiation flux, and solar energetic particle flux, used in analysis and prediction programs; (3) collect data from remote fixed platforms such as buoys and rain gauges for use in hydrological assessments and numerical weather prediction models; and (4) provide continuous, immediate search and rescue detection capabilities to augment the polar-orbiting system.

This program involves the procurement and launch of the geostationary operational environmental satellites (GOES). GOES 7 (GOES-East), launched in February, 1987, is the only operational satellite. Subsequent GOES satellites (the GOES I-M series) will have a five-year design life.

The principal products derived from geostationary satellites are: (1) full western hemisphere and sectorized cloud-cover images, (2) derived wind speed and direction, (3) assessments of hurricane motion and intensity, (4) severe thunderstorm and tornado detection and monitoring, (5) warnings of potential flash flooding, and (6) solar radiation information. The geostationary satellites also provide measurements of vertical temperature and moisture, and data from which snow-cover and sea- and lake-ice maps and products to support agriculture are produced.

Procurement of the geostationary satellites is a cooperative venture in which NOAA and NASA have key roles. NOAA as the operating agency represents the user and defines the basic requirements for the system. NASA as the agency with multi-disciplinary engineering expertise develops detailed specifications and procures and launches the spacecraft. NASA is reimbursed for these services by NOAA. The contract for the GOES I-K spacecraft was awarded in October 1985; an option for two additional spacecraft (GOES L and GOES M) was exercised in December 1985. GOES I-M is a new series of geostationary spacecraft representing a major development effort. This is the first time that NOAA, rather than NASA, has retained budget responsibility for such development. Whereas the previous spacecraft were spin-stabilized, GOES I-M will be three-axis stabilized. Instruments on GOES I-M will be able to view the Earth continuously, rather than "eyeing" a scene once with each revolution. In addition, GOES I-M will be able to provide soundings and images simultaneously; the current GOES can only provide either soundings or images at any given time.

The GOES I-M series will carry the following instruments:

- GOES sounder - provides measurements of atmospheric temperature and moisture.
- GOES Imager - provides infrared and visible images of the full or specific segments of the Earth disc.
- SEM - Space Environment Monitor; provides measurements of solar radiation data.
- DCS - Data Collection System; collects and relays environmental data measured by a variety of remotely located observing platforms.

- o Solar X-Ray Imager - DOD-funded instrument to be flown on GOES L or M.
- o Search and Rescue (SAR) - 406 Mhz receiver capable of continuously detecting distress signals from ships and aircraft. Complements polar-orbiting SAR, which can locate as well as detect distress signal, but must be in orbit over the signal beacon.
- o WEFAX - Retransmission of low-resolution meteorological data and other environmental data.

The following launch schedule is provided for planning purposes:

PLANNING LAUNCH SCHEDULE - GEOSTATIONARY SYSTEM

GOES-I	CY 94
GOES-J	CY 95
GOES-K	CY 99
GOES-L	CY 00
GOES-M	CY 04

Actual schedules will be affected by performance of previous spacecraft in orbit.

GOES I-M will be launched on Atlas (Atlas Centaur) expendable launch vehicles under a commercial launch services contract. The launch services contract for the GOES I-M series was awarded in May 1988. The launch services contract has been modified to reflect the current launch schedule and to provide for a launch of GOES-K as early as FY 1996 in the event the satellite is needed earlier than planned to replace either GOES-I or GOES-J.

NOAA has entered into an agreement with Europe for the use of a European geostationary satellite, Meteosat 3, to back up GOES 7 until the GOES I-M series is available to replace it. This backup system includes the ground-based equipment needed to command and control the Meteosat spacecraft and process the data required for the user community. The implementation of this cooperative program was completed in February, 1993. New ground system components will be required for GOES I-M because this series has a more complex design and more advanced observing capabilities than GOES 7. The three-axis stabilized design also places greater demands on spacecraft command and control. During the period that both GOES 7 and GOES I are providing operational service, NOAA must operate and maintain both the current ground system and the new ground system established for the GOES I-M series. After GOES 7 completes its operational lifetime, the older ground system will be deactivated and the new ground system will support the GOES system into the beginning of the next century.

FY 1992 Plans

- Complete qualification testing of "Pathfinder" imager and sounder instruments at ITT.

- Complete qualification testing of GOES I system using GOES I spacecraft bus and "Pathfinder" instruments.

FY 1993 Plans

- Complete qualification of GOES I flight instruments.
- Complete integration and test of GOES I spacecraft and instruments.
- Complete ground station preparations for launch.

FY 1994 Plans

- Ship GOES I spacecraft to Cape Canaveral.
- Launch GOES I spacecraft.

- Complete qualification of GOES J instruments.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of atmospheric soundings collected over the U.S.	8,760	8,760	8,760
Number of cloud images collected	35,040	35,040	70,080
Number of collections from remote platforms	27.4 M	32.0 M	38.0 M
Number of platforms in service end of year	11,214	12,100	12,800

Exhibit 13

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
INCREASE FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
Geostationary System	Pos.\BA	0	116,565	0	182,746	0	66,181
	FTE\Obl.	0		0		0	

Geostationary System (+0 FTE, +$66,181,000): NOAA requests an investment increase of $66,181,000 for continued procurement of GOES I-M geostationary satellites and instruments, launch services, and ground systems. This investment request is contingent upon enactment of an Omnibus Budget Reconciliation Act that that contains the President's deficit reduction package.

Background: NOAA is responsible for maintaining continuous geostationary environmental satellite coverage of the United States and adjacent ocean areas. The GOES system is the most comprehensive and timely source of advance warning of hurricanes and other severe weather systems forming in ocean areas near the United States. GOES satellites also provide data and images used to analyze and predict the movement of large-scale weather systems, and support other applications including environmental research and Search and Rescue.

Proposed Actions: Funds are requested to continue the development and production of the GOES I-M spacecraft and instruments, payments for launch services, ground system modifications to support operation of the I-M system Funding requested for Meteosat and the non-GOES activities, if needed, will come from the GOES Contigency Fund. The spacecraft request provides for spacecraft and instrument contract funding and program oversight. The launch services request provides for the option to launch GOES K as early as FY 1996 instead of FY 1999 in the event GOES K is needed earlier than planned to replace either of the two preceding satellites. The ground system request includes adjustments to provide the instrument correction necessitated by continuing adjustments to the spacecraft.

Timeliness: Full support of the FY 1994 request is essential for the continuity of GOES coverage. Launch of GOES I is scheduled for FY 1994, GOES J for FY 1995. Spacecraft procurement must proceed as scheduled so that GOES I and GOES J can replace the sole operational spacecraft, GOES 7, which exceeded its design life in February 1992. The procurement of the subsequent GOES spacecraft, GOES K-M, must also continue so that these spacecraft are available to succeed GOES I and J. The requested launch funding change is needed in FY 1994 to meet the payment schedule for the contract modification. This change will not add to the overal cost of the program. Ground system changes must be implemented during FY 1994 so that GOES I and J, can be operated in FY 1995, without these changes, the system will not be able to fully support a two-spacecraft constellation due to the instrument correction workload

	1994	1995	1996	1997	1998
Costs:					
Direct Obligations					
Capitalized	66,181	34,993	(3,516)	(31,014)	(5,216)
Uncapitalized	0	0	0	0	0
Total	66,181	34,993	(3,516)	(31,014)	(5,216)
Budget Authority	66,181	34,993	(3,516)	(31,014)	(5,216)
Outlays	38,385	38,826	12,391	(11,889)	(9,505)
FTE	0	0	0	0	0

GEOSTATIONARY SYSTEM

(Dollar amounts in thousands)

	FY 92 & Prior	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	TO COMPLETE	ALL YEARS
GOES I-M:									
Spacecraft	750,639	102,870	120,300	98,179	73,395	50,885	50,665	96,918	1,343,851
Launching	146,478	10,500	53,300	46,100	36,400	33,400	60,000	159,900	546,078
Subtotal	897,117	113,370	173,600	144,279	109,795	84,285	110,665	256,818	1,889,929
Ground Systems	55,339	4,630	9,146	7,279	3,254	1,266	684	435	82,033
Total, ORF Approp.	952,456	118,000	182,746	151,558	113,049	85,551	111,349	257,253	1,971,962

Exhibit 15

Department of Commerce
National, Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Environmental Satellite, Data, and Information Services
Subactivity: Satellite Observing Systems
Program Change: Geostationary Systems

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	66,181
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**66,181**

Environmental Observing Services: The operating objectives of the environmental observing services line item are to: (1) operate and maintain the NOAA satellites and acquire data from them; (2) process and analyze the data from NOAA, DOD, and other operational and research Earth-observing satellites; (3) supply data, interpretations, and consultation services to users; (4) conduct research to improve satellite systems' capabilities for obtaining environmental data; (5) determine requirements for future satellite systems, (6) operate the SARSAT (Search and Rescue) mission control center and act as the lead U.S. agency for SARSAT; and (7) demonstrate better ways to use and distribute data from NOAA, NASA, and other satellites, aircraft, and laboratory investigations, and apply these improvements to satellite data products for operational use.

Under this program, NOAA operates and maintains satellite ground facilities, ingests and preprocesses incoming satellite data, provides satellite-derived products to the users, and conducts research to improve the use of the satellite data. Specific functions include:

- Operation and maintenance of ground facilities to command and control operational satellites, acquire satellite data, and transmit satellite data to the central processing and analysis center. These functions are carried out by the Satellite Operations Control Center (SOCC) at Suitland, Maryland, and the Command and Data Acquisition (CDA) stations at Wallops Island, Virginia, and Fairbanks, Alaska.

- Ingest and process all data from the polar and geostationary spacecraft, including vertical atmospheric measurements (soundings), low-level wind vectors, and sea surface temperatures for input to National Weather Service analyses and forecast models. Image production for distribution to users and a digital satellite data archive.

- Spacecraft and data anomaly assessment and quality control, launch and checkout services for new spacecraft, and provision of tracking and other acquisition information to outside users of the spacecraft data.

- Products to assist in protection of life and property such as quantitative precipitation estimates for flash flood situations, hurricane classification, satellite monitoring and tracking of severe weather, and sea ice and ocean front analyses.

- Operation of the SARSAT mission control center. NOAA is the lead U.S. agency for the international COSPAS/SARSAT program. In this program, transponders flown on NOAA and Soviet satellites receive signals from ships and aircraft in distress and identify their location.

- Research to develop new and improved methods of obtaining satellite data and to develop techniques for applying these data to atmospheric, oceanic, and land monitoring, warning, and prediction.

After acquiring, processing, and analyzing satellite data, NOAA prepares products for distribution. The primary uses for NESDIS polar-orbiting satellite products are the forecasts and warnings provided by the National Weather Service, but the satellite data are also used in many other environmental information contexts. These include analyzing climate change; detecting volcanic eruptions and wilderness fires and tracking associated dust clouds; and monitoring the health of vegetation, the growth of deserts, and deforestation. NOAA conducts research and development to improve data quality and to identify other ways in which the data can be used to protect life and property, strengthen the Nation's economy, and improve our understanding of changes in the global climate.

Analyses and interpretations of geostationary and polar-orbiting satellite data are prepared by the National Weather Service at forecast offices staffed with satellite meteorology experts. These offices receive high-resolution images on a 24 hour-per-day, 365 day-per-year basis from the GOES Central Data Distribution System. One station, San Francisco, receives the high resolution polar satellite data directly from the spacecraft. All of these offices analyze and interpret the cloud and earth surface images and associated products for use in their regional forecasts. These images are used in preparing aviation forecasts, and short-term forecasts and warnings of hazardous events such as severe local storms and tornadoes, hurricane advisories, and gale warnings. The products also are used in preparing river and flood forecasts, snow melt and sea ice analyses, and marine forecasts and warnings, including services for shipping, coastal and ocean fisheries, and recreational boating. GOES imagery is distributed to television stations, universities, state governments, industry, and other Federal agencies through the GOES-TAP system which allows the user to receive any of the standard image sectors available to a particular forecast office. In the future, the NOAA-Port system will be the primary means of delivering GOES data and products.

The application products derived from both polar and geostationary satellites are delivered through a variety of formats: user-accessible data bases; photo facsimile images; satellite weather facsimile transmission (WEFAX); interactive computer access, and archives. Stratospheric sounding data derived from instruments developed and funded by the United Kingdom are relayed to the United Kingdom; Data Collection System (DCS) data, derived from the French-funded ARGOS systems on the spacecraft, are relayed to Project ARGOS in France as part of bilateral agreements. United States users, in turn, receive processed data from the French.

NOAA conducts research to improve our understanding of the physical processes in the atmosphere, on land, and in the oceans which affect weather and climate. Satellites are integral to this work because of their unique capability to provide the vast amounts of data needed for forecast modeling. The satellite's vantage point in space provides data coverage in both time and areal extent not achievable by other practical observational techniques or systems. Techniques also are developed for new and improved applications of satellite data. Universities and industrial groups participate in developmental activities through cooperative research and information exchange arrangements. NOAA coordinates closely with related NASA and DOD research and development programs and with the environmental satellite programs of other nations.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of quantitative precipitation estimates produced	1,387	1,600	1,600
Accuracy of quantitative precipitation estimates	70%	70%	70%
Number of severe weather systems tracked	273	250	250
Percent of time devoted to severe storms tracking	40%	40%	40%
Produce satellite-derived winds (Western hemisphere)	870,000	1,000,000	1,200,000
Produce satellite-derived atmospheric moisture profiles	360,000	360,000	360,000
Number of papers presented and published, technical conferences arranged	100	100	100
Number of improvements, products, and applications developed	8	8	8

Exhibit 13

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
INCREASE FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Environmental Observing Services	Pos.\BA	652	48,502	652	50,284	0	1,782
	FTE\Obl.	0		0		0	

Environmental Observing Services (+0 FTE, +$1,782,000) NOAA requests an increase of $1,782,000 continue crtical operations at a level necessary to provide the satellite data products and services required to meet the National Weather Service and other environmental data user needs.

The FY 1993 Appropriation reduced the Environmental Observing Services line item by $5,343,000. To accomodate this reduction, NOAA imposed a plan that reduced staffing (through attrition), reduced equipment and system maintenance, and reduced certain lower priority satellite products.

This increase will allow for retention of a workforce level necessary to provide uninterrupted product delivery, and to plan for and restore a level of equipment maintenance necessary to assure continuity of delivery of critical satellite data products.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: National Environmental Satellite, Data, and Information Services
Subactivity: Satellite Observing Systems
Program Change: Environmental Observing Services

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	1,782
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	1,782

Exhibit 10

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity. National Environmental Satellite, Systems

Subactivity Environmental Data Management Systems

Line Item		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) Over 1994 Base Personnel	Increase/ (Decrease) Over 1994 Base Amount
Data and Information Services	Pos./BA	329	$32,628	142	$32,646	139	$32,786	139	$34,068	0	$1,282
	FTE/Obl	316	31,999	137	33,275	134		134		0	
Total	Pos./BA	329	32,628	142	32,646	139	32,786	139	34,068	0	1,282
	FTE/Obl	316	31,999	137	33,275	134		134		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE
(Dollar amounts in thousands)

Activity: **National Environmental Satellite, Data, and Information Service**
Subactivity: **Environmental Data Management Systems**

Goal Statement

The goals of the Environmental Data Management System subactivity are to provide worldwide environmental data and information products and services in the atmospheric, marine, solid earth, and solar-terrestrial sciences to meet the needs of users in commerce, industry, agriculture, science and engineering, the general public, and Federal, state, and local agencies. These products and services are used in decisions critical to the following: national economy; national defense; industrial productivity; energy development and distribution; world food supplies; public health, safety, and welfare; and development of natural resources. Environmental data management is becoming increasingly important due to the growing national and international focus on understanding the processes of global climate change

Proposed Legislation

No legislation is proposed.

Base Program

Environmental Data Management Services: The operating objectives of this subactivity are to increase productivity and improve support to the national economy, food and energy industries, scientific research, and the military services by improving the quality and accessibility of national environmental data and information files; and to improve environmental data products and services. A key element of this subactivity is to rescue critical environmental data that are presently at risk of being lost due to deteriorating storage media, and to provide archiving capability for data from new NOAA observation systems and make it readily accessible

The Environmental Data Management Services subactivity comprises NOAA wide data and information services that include the NOAA data centers and other repositories of environmental data and information located throughout NOAA The three NOAA data centers are: the National Climatic

Data Center (NCDC) in Asheville, N.C.; the National Oceanographic Data Center (NODC) in Washington, D.C.; and the National Geophysical Data Center (NGDC) in Boulder, Colorado. This subactivity also includes the NOAA library system. The library system, managed by NODC, includes a central library in Rockville, Maryland and branches in Seattle, Washington and Miami, Florida.

NOAA collects global environmental data about the oceans, earth, atmosphere, and the sun for use in NOAA activities to investigate, describe, and predict environmental conditions. Other domestic and foreign agencies, organizations, and individuals also collect data for their own environmental activities. After the data have been used for short-term purposes, selected data from these sources are obtained by NOAA, processed, and managed in the national environmental data bases. The data are used in numerous applications in industry, agriculture, business, law, science, engineering, and academic research, as well as by Federal, state, and local government agencies and by the general public. Maintaining a national environmental data base ensures that the large investment made to collect global data continues to pay off by providing information for decision-makers in climate sensitive industries, marine resource management, policy planning, education, and science.

Climate Data Services: The National Climatic Data Center (NCDC), located in Asheville, North Carolina, with a Satellite Data Services Division (SDSD) in Camp Springs, Maryland, archives over 300 million meteorological observations and approximately 100 thousand gigabytes of digital data, making it the world's largest climate data center. NCDC provides full data management functions as it receives, processes, archives, and disseminates surface, marine, upper air, radar, solar radiation, and satellite-derived data obtained from the National Weather Service, the Federal Aviation Administration, NOAA satellites, the Department of Defense, and other national and international sources. These data are maintained in a variety of media including digital, analog, microform, photographic imagery, and manuscript forms. Collected continually over long periods (in some instances for over 100 years), the data give clues to climate variability and trends. NCDC operates the World Data Center A discipline center for Meteorology and, through close coordination with the World Meteorological Organization and individual countries, gains access to worldwide climatic data. With the introduction of the Climate Computer (CLICOM) observation system, NCDC has established itself as a leader in promoting and standardizing climatic observations.

NCDC provides data and information products to a large and diverse user community, including climate researchers, engineers, agribusiness, planners, attorneys, government agencies, and the general public. For the research community, NCDC provides a variety of definitive ground-truth data sets which establish the long-term climate perspective needed to verify Global Climate Models (GCM's) and other research studies. In meeting the needs of researchers and a broad range of users, NCDC publishes several general monthly publications. Over one million copies are distributed to 40,000 subscribers.

During FY 1992, NCDC responded to approximately 123,000 public user requests. In addition to providing customized services to answer specific needs, NCDC prepares and publishes climate information summaries to improve public health and safety, improve productivity, and to generally improve the U.S. competitive edge through informed decision-making. Economic sectors benefiting from NCDC's data include such diverse elements as energy development, energy conservation, power production, food production, human health, construction design and scheduling, air pollution control, and airport siting. NCDC also performs climatic applications studies for other government agencies including NASA, EPA, DOD, and DOE.

Ocean Data Services: The National Oceanographic Data Center (NODC) in Washington, D.C. maintains the world's largest unclassified oceanographic data base. Holdings include records from more than 1.1 million stations containing temperature, salinity, and in many cases nutrient chemistry data from the total water column (sea surface to ocean floor); 59.2 million surface and subsurface current measurements; 2.5 million bathythermograph records; and over 53.1 million records from automated ocean buoys. Data holdings also contain approximately 150 million records from special data sets such as ocean data from the U.S. Navy Geosat.

Many of these data are obtained through international exchange agreements. NODC operates World Data Center A, Oceanography, under which data exchange agreements are in effect with more than forty countries engaged in marine research. NODC is also responsible for activities required by Section 8 of the National Ocean Pollution Planning Act involving tracking and referral for ongoing U.S. marine pollution research efforts.

NODC also oversees development, coordination, and operation of the NOAA library and information system. The NOAA library network, comprising more than 1.5 million volumes, is responsible for providing up-to date scientific, technical, and legislative information services to all NOAA scientists, administrators, and managers. The library uses a wide array of products and services to provide user support, including on-line access to hundreds of data bases, inter-library loan arrangements, and CD-ROM technology for citation searches and data.

Users of NODC services (about 10,000 per year) include industry, such as maritime shipping and offshore drilling companies; oceanographic and atmospheric scientists working on global change programs such as Tropical Ocean Global Atmosphere (TOGA), World Ocean Circulation Experiment (WOCE), and Global Ocean Flux Study (GOFS); commercial research organizations; Federal government agencies such as NASA, USGS, and NOAA working jointly on global change studies; state and local government agencies working with NOAA on coastal ocean research problems; and the general public.

Data are provided to users on either an exchange or a reimbursable basis. Under exchange agreements, data may be provided to foreign organizations at no cost in exchange for data of comparable value for inclusion in the national data base. In all other cases, data are provided to the users on a cost-recovery basis.

Geophysical Data Services: The National Geophysical Data Center (NGDC) in Boulder, Colorado, compiles, archives, and disseminates a wide variety of scientific data related to the earth's interior; the land surface and ocean floor; snow cover and ice extent; the upper atmosphere; the space environment; and solar activity. Disciplines covered include seismology, studies of the earth's gravity and magnetic fields, geochemistry, marine geology and geophysics, glaciology, paleoclimatology, upper atmospheric physics, and space and solar physics. Data are acquired through formal and informal arrangements with other government agencies, universities, and many foreign sources. NGDC operates the World Data Center A discipline center for Solar-Terrestrial Physics, Solid Earth Geophysics, Marine Geology and Geophysics, and Glaciology (Ice and Snow).

Data holdings consist of several hundred data bases of various sizes. Holdings include over 50 million ionograms; over 2.5 million magnetograms; marine geophysical data collected over 10 million miles of ship tracks by research vessels; aeromagnetic data collected over 12 million flight miles;

over one million film mosaics from the Defense Meteorological Satellite Program, and many others. Selected data are routinely exchanged with World Data Centers B in the USSR, C in Europe and Japan, and D in China.

NGDC publishes the monthly periodical "Solar Geophysical Data", which provides detailed information on solar activity and its effect on earth to the worldwide research community. It publishes a wide variety of special reports, summaries, listings, and announcements of new data acquisitions. It provides various customized services to meet specific user needs in both the research community and the private sector.

Over ten thousand user requests are received each year. Users range from scientists and engineers in the research community and the private sector, to Federal, state, and local government agencies and the general public. Particular emphasis is placed on providing data to the earth science research community to support research in global change, resource exploration, and basic science.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of:			
National climatic, oceanographic, and geophysical data base records maintained (billions of bytes)	152,800	169,200	201,100
Records added (billions of bytes)	10,400	16,300	31,900
Records converted from analog to digital format (millions of bytes)	570	611	641
Public user requests processed	127,755	132,200	137,700
Scientific and academic requests processed	69,371	74,100	77,550
Library volumes maintained	1,634,800	1,697,400	1,736,300
Library volumes added	62,600	38,900	64,000
Bibliographic citations	6,148,000	6,188,000	6,277,500
Public user requests for library information	23,400	20,000	35,000
Scientific and academic user requests for library information	101,200	98,000	156,000

Exhibit 13

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
INCREASE FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
Data and Information Services	Pos.\BA	139	32,786	139	34,068	0	1,282
	FTE\Obl.	134		134		0	

Data and Information Services (+0 FTE, +$1,282,000) NOAA requests an increase of $1,282,000 to continue operations at the minimum level necessary to provide in a timely manner, the environmental data and information required by users in Federal, State, and local governments, industry, agriculture, and science.

The FY 1993 Appropriation reduced the Environmental Data Management System sub-activity by $1,682,000. To accomodate this reduction, NOAA imposed a plan that reduced staffing (through attrition), reduced equipment and system maintenance, and eliminated or reduced certain lower priority data products and services.

This increase will allow for retention of the workforce and maintenance of the equipment necessary to assure that the NOAA Data Centers can continue to meet user needs. These data are necessary for decision-making in climate sensitive industries, marine resources management, policy planning, education, and science.

	1994	1995	1996	1997	1998
Costs and Benefits:					
Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,282	1,282	1,282	1,282	1,282
Total	1,282	1,282	1,282	1,282	1,282
Budget Authority	1,282	1,282	1,282	1,282	1,282
Outlays	744	1,102	1,192	1,282	1,282
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity:	**National Environmental Satellite, Data, and Information Services**
Subactivity:	**Data and Environmental Services**
Program Change:	**Data and Information Services**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	1,282
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	1,282

Exhibit 10

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Support
Subactivity: Administration and Services

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Executive Direction and Administration	Pos./BA	377	$25,038	276	$26,100	271	$26,369	271	$26,369	0	$0
	FTE/Obl.	363	25,936	266	26,404	261		261		0	
Central Administrative Support	Pos./BA	893	38,942	1,112	38,000	1,092	39,244	1,092	39,244	0	0
	FTE/Obl.	860	38,541	1,071	38,401	1,051		1,051		0	
Retired Pay Commissioned Offic	Pos./BA	0	5,638	0	7,333	0	7,706	0	7,706	0	0
	FTE/Obl.	0	5,638	0	7,333	0		0		0	
Total	Pos./BA	1,270	69,618	1,388	71,433	1,363	73,319	1,363	73,319	0	0
	FTE/Obl.	1,223	70,115	1,337	72,138	1,312		1,312		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Program Support**
Subactivity: **Administration and Services**

Goal Statement

Support NOAA programs and missions through executive direction for the implementation of the policies of the President; develop and acquire major support systems; and provide administrative, budget, legal, and public relations services.

Proposed Legislation

No legislation is proposed

Base Program

Executive Direction: The Objectives of this element are to provide centralized executive management and decisions concerning NOAA policy and planning objectives; development and acquisition of major NOAA modernization systems; individual program operations; budget priorities; statutory and other legal requirements; congressional relations; and public and educational affairs.

This line item provides funding for the Under Secretary and NOAA-level staff offices within the Office of the Administrator which provide executive direction and support for the operational programs. Located in the Department of Commerce headquarters in Washington, D.C., those offices include:

Under Secretary and Administrator
Assistant Secretary and Deputy Administrator
Deputy Under Secretary
Chief Scientist

General Counsel
Naval Deputy
Comptroller
Office of External Affairs
Systems Program Office
Administration

Central Administrative Support: To provide timely, high quality, cost-effective administrative support to all of NOAA and to the Department of Commerce programs in the field, while ensuring all laws, regulations and guidelines are followed.

This line item includes funding for NOAA's overall management of personnel, procurement, payments, facilities, administrative services, and administrative ADP systems and funding for NOAA's share of the operation of the four field Administrative Support Centers (ASCs) and the headquarters administrative support operations. NOAA's Office of Administration structure is:

Office of Administration located in Washington, D.C.

Headquarters Offices -
    Personnel and Civil Rights located in Silver Spring, Maryland
    Procurement, Grants and Administrative Services located in Silver Spring, Maryland
    Information Systems and Finance located in Rockville, Maryland
Field Offices -
    Eastern Administrative Support Center located at Norfolk, Virginia
    Central Administrative Support Center located at Kansas City, Missouri
    Mountain Administrative Support Center located at Boulder, Colorado
    Western Administrative Support Center located at Seattle, Washington
    (Each field office includes the services listed in the following section)

Below is a summary of the services provided to NOAA and all DOC field organizations:

- Personnel - includes all personnel functions, including classification and hiring, maintenance of personnel files, position review, labor management relations, employee counseling, and separation and retirement processing.

- Procurement - includes processing of all contracts and purchase orders and performing all other associated procurement functions. Grants and cooperative agreements are handled for all of NOAA and, in the field, for the National Institute of Science and Technology.

- Facilities and Logistics - includes management of real property and space utilization, security services, personal property, transportation of goods, telecommunications and printing.

- Administrative Payments - includes processing of administrative payments for travel, small purchasing, imprest fund and transportation requests through the Department-wide administrative payments system; processing of administrative payments for contracts, grants, leases, utility services, blanket purchase orders, Bankcard and others for NOAA only using the NOAA payments system.

- ADP Systems Support - includes, for NOAA only, the bureau-level Information Resource Management planning and maintenance of NOAA administrative systems including the NOAA accounting system and the interactive financial information system.

- Site Specific Services - several ASCs provide unique services to their clients including a research library, warehousing, guard and custodial services and health units.

The administrative functions funded in this line item are critical to each program in NOAA and the programs conducted by other Department of Commerce offices in the field. In addition to providing timely, quality administrative support, the Office of Administration also has the responsibility to ensure that their actions comply with all laws, regulations and guidelines. The organization is under continual pressure from the client organizations to continue to improve services and hold costs down, while being pressed for tighter controls on the processes. Approximately 20% of the ASC's work is service to non-NOAA clients. An annual billing process provides the mechanism to distribute the costs of these operations.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Employees serviced	14,763	14,763	14,763
Contracts and Procurement actions processed	30,3000	30,300	30,300
Grant actions processed	1,500	1,500	1,500
Administrative payments made	683,000	683,000	683,000
Volume of forms electronically entered and processed	2,000	2,000	2,000

These are measures of workload representing approximately two-thirds of the work done in the Office of Administration.

Retired Pay for Commissioned Officers: To provide payment of benefits to retired NOAA commissioned officers and their families.

The military retirement system provides a measure of financial security after release from active duty for service members and their survivors. It is an important factor in the choice of a career in the Uniformed Services and the legal mandate for rates to be paid is the same for all Uniformed Services, 10 USC.

The current system permits 1) a non-disability retirement for 20 years or more of active duty, and 2) a disability retirement for active duty members who are determined to be unfit to perform the duties of their office or grade because of a physical disability. Legal authority for retirement of NOAA Corps officers is contained in 33 USC 8531. Retired commissioned officers of the NOAA Corps receive retirement benefits from the Commissioned Personnel Center within the Office of NOAA Corps Operations, which is under the Office of the Administrator.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of Retirees Serviced	169	184	199
Number of Survivors Serviced	50	50	50
Total	219	234	249

Exhibit 10

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Support
Subactivity: Facilities

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Maintenance	Pos./BA	2	$6,963	0	$0	0	$0	0	$0	0	$0
	FTE/Obl.	2	5,001	0	1,962	0		0		0	
Consolidation	Pos./BA	0	2,926	0	0	0	0	0	0	0	0
	FTE/Obl.	0	2,926	0	0	0		0		0	
Construction	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Obl.	0	0	0	0	0	0	0	0	0	
Total	Pos./BA	2	9,889	0	0	0	0	0	0	0	0
	FTE/Obl.	2	7,927	0	1,962	0	0	0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Program Support**
Subactivity: **Facilities**

Goal Statement

See the NOAA construction account.

Proposed Legislation

No legislation is proposed.

Base Program

Facilities Maintenance - Moved to the Construction account in FY 1992 and 1993.

Facilities Consolidation - Moved to the Construction account in FY 1993.

Exhibit 10

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Support
Subactivity: Marine Services

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Marine Services	Pos./BA	883	$63,506	869	$61,200	853	$63,181	853	$62,295	0	($886)
	FTE/Obl.	850	62,635	837	61,460	821		821		0	
Total	Pos./BA	883	63,506	869	61,200	853	63,181	853	62,295	0	(886)
	FTE/Obl.	850	62,635	837	61,460	821		821		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Program Support**
Subactivity: **Marine Services**

Goal Statement

To operate a fleet of vessels capable of safely conducting sustained scientific and survey operations in both shallow, coastal areas and remote, deep ocean areas. These vessels will have the unique operating capabilities necessary to gather the precise measurements and observations needed to accomplish NOAA's missions. These vessels will provide days-at-sea for conducting and supporting programs of significant national interest, including climate and global change, marine environmental quality, marine resource assessment and development, safety of marine navigation, and protection of life and property.

Proposed Legislation

No legislation is proposed.

Base Program

Marine Services: The objectives of this line are to: (1) Ensure the operational readiness and maximum capability of the NOAA fleet to support present and future NOAA programs at-sea requirements; (2) develop and implement annual and long-term plans for vessel modernization, replacement, and repair to ensure the fleet's optimum long-term use and readiness; (3) provide properly trained personnel, fuel, stores, laboratory and deck equipment, and the other scientific equipment necessary to meet user requirements and schedules; (4) develop annual ship-time allocation schedules based on program requirements; (5) provide centralized management and coordination, scheduling, port services, labor relations, operations procedures, and engineering support for the NOAA fleet; (6) design, develop, and engineer ship systems to ensure cost-effective operation, and to meet user requirements and safety/legal regulations; and (7) train and qualify NOAA personnel for diving to ensure safe and effective operations.

The Office of NOAA Corps Operations (ONCO) provides centralized management for NOAA's fleet of 22 major vessels. These NOAA vessels, ranging in length from 90 to 303 feet, conduct operations that support NOAA's programs in nautical charting, bathymetric mapping, fisheries research, resource assessment, marine environmental baseline assessment, coastal ocean circulation, and oceanographic and atmospheric research. Four vessels are currently in an inactive status. Operation of the remaining 18 vessels will provide an estimated of 3,501 days-at-sea to support NOAA's highest priority programs.

The programs supported are listed below. Benefits and other impacts made by these programs are described in their base program narratives elsewhere in this document.

Fisheries Resource Assessment - investigates living marine resource stock size, condition, and distribution to support the fishery management functions of the Regional Fisheries Management Councils;

Porpoise Surveys - monitors the condition of porpoise stocks and effects of incidental catches during U.S. purse seine tuna fishery operations;

Marine Mammals - Determines and monitors the size, condition, and distribution of marine mammal populations;

Fisheries Oceanographic Cooperative Investigation (FOCI) - investigates the physical, chemical, and biological parameters affecting important fish stocks to determine how these parameters affect spawning, growth, survival, and recruitment;

Equatorial Pacific Ocean Climate Study (EPOCS) - investigates the role of the ocean in global climate through research on the dominant mechanisms that produce variations in sea surface temperature;

Tropical Oceans/Global Atmosphere (TOGA) - investigates the influence of large-scale atmospheric and oceanic changes in tropical ocean basins on short-term variability of global climate;

Atlantic Climate Change Program (ACCP) - investigates the oceanic transport of heat, which is a key element in the natural global processes affecting long-term climate changes;

Nautical Charting - hydrographic surveys in the Nation's coastal waters and ports to acquire data to update and maintain nautical charts and bathymetric maps;

National Status and Trends (NS&T) - investigates and monitors the long-term effects of human activities on the quality of the coastal ocean and estuarine environments;

Tsunami Observational Program - Acquires high quality tsunami measurements during the generation, deep ocean propagation, and coastal run-up of tsunami events to resolve theoretical and modeling issues; and, Nutrient Enhanced Coastal Ocean Productivity (NECOP) - Determine if anthropogenic nutrient inputs to coastal waters have enhanced coastal productivity with subsequent impact on water quality, living marine resources, and the global ocean carbon cycle.

Vents - Assess quantitatively the effects of hydrothermal venting on the ocean;

Ice in the Coastal Environment (ICE) - to understand the circulation of water, ice, and nutrients in the Chukchi and Bering Sea.

Vessel characteristics and home port are tabulated below:

Vessel	Age as of 1994	Length-Class	Mission(*)	Home Port	Status
OCEANOGRAPHER	28	303 ft. - I	1	Seattle, WA	Inactive
DISCOVERER	27	303 ft. - I	1,4	Seattle, WA	Active
SURVEYOR	34	292 ft. - I	1,4,2	Seattle, WA	Active
MALCOLM BALDRIGE	24	278 ft. - I	1	Miami, FL	Active
MT. MITCHELL	26	231 ft. - II	1,4	Norfolk, VA	Active
RAINIER	26	231 ft. - II	3	Seattle, WA	Active
FAIRWEATHER	26	231 ft. - II	3	Seattle, WA	Inactive
MILLER FREEMAN	20	215 ft. - II	1,2,5	Seattle, WA	Active
ALBATROSS IV	31	187 ft. - III	2	Woods Hole, MA	Active
DAVIDSON	27	175 ft. - III	3	Seattle, WA	Inactive
MCARTHUR	28	175 ft. - III	2,5	Seattle, WA	Active
OREGON II	27	175 ft. - III	2	Pascagoula, MS	Active
WHITING	31	163 ft. - III	3,4	Norfolk, VA	Active
DAVID STARR JORDAN	28	171 ft. - III	2	San Diego, CA	Active
TOWNSEND CROMWELL	19	163 ft. - IV	2	Honolulu, HI	Active
DELAWARE II	26	155 ft. - IV	2	Woods Hole, MA	Active
FERREL	26	133 ft. - IV	5	Norfolk, VA	Active
CHAPMAN	14	127 ft. - IV	2	Pascagoula, MS	Active
JOHN N. COBB	44	93 ft. - IV	2	Seattle, WA	Active
RUDE	27	90 ft. - V	3	Norfolk, VA	Active
HECK	27	90 ft. - V	3	Norfolk, VA	Active
ADVENTUROUS	4	224 ft. - III	5	Norfolk, VA	Inactive

* 1 = Oceanographic Research; 2 = Fisheries Research; 3 = Hydrographic Surveys; 4 = Bathymetric Mapping; 5 = Environmental Assessment

Changing program needs may necessitate changing vessel assignments and the mix of active and inactive vessels.

The Atlantic Marine Center (AMC) in Norfolk, Virginia, provides regional fleet management, maintenance, stores, supplies, repair facilities, data processing facilities, operational support, and administrative support for the 11 East Coast vessels. The Pacific Marine Center (PMC) in Seattle, Washington, provides similar services for the 11 West Coast vessels.

Headquartered in Rockville, Maryland, ONCO provides centralized management; initiates the development of annual vessel allocation plans; develops and updates long-range plans for inspection, repair, maintenance, and operations; manages marine personnel labor relations (maritime unions); updates standard fleet procedures; conducts vessel inspections; completes engineering for ship systems upgrade; procures replacement equipment and systems; provides diver training and certification, and monitors NOAA diving activities for adherence to regulations and diver safety and efficiency.

NOAA vessels are staffed by NOAA Corps Commissioned Officers, Wage Marine employees, and General Schedule technicians. The vessels are deployed for multiprogram or specialized use depending on size, range, laboratory space, equipment, and accommodations. The Class I and II vessels have the necessary size, endurance, and equipment to conduct surveys and investigations in the deep ocean outward from the continental shelf or in remote areas such as Alaska and Antarctica. The smaller Class III, IV, and V vessels are designed for continental shelf and near-shore operation.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of Days-at-Sea Allocated by Fleet Allocation Council			
NMFS	1,914	1,945	1,852
OAR	523	453	516
NOS	1,168	1,169	1,133
Total	3,605	3,567	3,501
Number of Days-at-Sea Sailed	3,605		

The programs supported by the NOAA fleet are organizationally housed within NOAA's National Marine Fisheries Service (NMFS), Office of Oceanic and Atmospheric Research (OAR), and National Ocean Service (NOS) with occasional support to other NOAA components such as Office of Global Programs (GP). A Fleet Allocation Council of top NOAA management personnel considers the days-at-sea (DAS) requests from these line offices, including program priority, and allocates the NOAA fleet DAS to the programs. Program requests for DAS usually exceed the number of ships and operating funds available to the NOAA fleet. The DAS sailed may be less than the DAS allocated due to: ship equipment breakdowns, shipyard delays, adverse weather, or other causes.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Marine Services	Pos.\BA	0	$886	0	0	0	($886)
	FTE\Obl.	0		0		0	

Program Decreases: Decreases are requested to terminate: low priority programs that are not consistent with NOAA's mission; programs that are not necesaary to meet essential program needs; or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

Marine Services-($886,000): A net decrease of ($886,000) is requested as result of terminating the Marine Electronic Agenda ($700,000) and the New England Science Center ($186,000) program. Terminations are requested for low priority programs that are not consistent with NOAA's mission, programs that are not necessary to meet essential program needs, or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Program Support
Subactivity: Marine Services
Program Change: Marine Services

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(886)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(886)

Exhibit 10

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Program Support
Subactivity: Aircraft Services

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Aircraft Operations and Maintenance	Pos./BA	84	$8,908	97	$9,500	95	$9,495	95	$9,495	0	$0
	FTE/Obl.	81	9,497	93	11,761	91		91		0	
Total	Pos./BA	84	8,908	97	9,500	95	9,495	95	9,495	0	0
	FTE/Obl.	81	9,497	93	11,761	91		91		0	

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity:	**Program Support**
Subactivity:	**Aircraft Services**

Goal Statement

Ensure safe and timely operation of aircraft equipped with modern scientific instrumentation to conduct NOAA missions supporting the Department's goal of balanced management of the oceanic and atmospheric environment.

Proposed Legislation

No legislation is proposed.

Base Program

Aircraft Operations and Maintenance: The objectives of this line item are to ensure the operational readiness and to enhance capabilities of NOAA's aircraft to support NOAA, other Federal agency programs, international programs including TOGA COARE, the Climate and Global Change program, and Coastal Ocean Science activities. Provide centralized management and coordination, scheduling, repair, maintenance, labor relations, operations procedures, training, and engineering to operate a fleet of 14 aircraft. Provide fuel, operating supplies, personnel, flight equipment, sensor packages, communications, and navigation equipment to meet user requirements and schedules. Develop annual aircraft operating schedules based on program requirements. Design, develop, and engineer aircraft systems and modifications to ensure cost-effective operations. Meet safety/legal regulations for aircraft and their operation. Provide training to pilots/navigators to meet proficiency requirements and ensure safety of passengers and property.

The Office of NOAA Corps Operations, Aircraft Operations Center (AOC) at MacDill Air Force Base, Tampa, FL manages the 14 NOAA aircraft, composed of 2 heavy aircraft, 8 light aircraft, and 4 helicopters which are deployed on world-wide operations, and based out of 4 major locations in the United States. The Office of NOAA Corps Operations is headquartered in Rockville, MD, and provides oversight and policy direction.

AOC provides support for NOAA's top priority programs as follows:

Climate and Global Change and Atmospheric Research - These programs are supported by NOAA's two fully instrumented WP-3D aircraft. The P-3's are the most sophisticated meteorological research platforms in the world. The aircraft research and navigation systems provide detailed spatial and temporal observations of a wide range of atmospheric and oceanic parameters in support of climate and global change, severe weather research, ocean and great lakes programs, air quality, air/sea interaction, and ocean dynamics. AOC develops and calibrates specialized instrumentation, integrates user-supplied instruments into the automated systems, and processes and analyzes data sets obtained from various field programs.

Hurricane Reconnaissance - NOAA P-3 aircraft provide high density/accuracy hurricane data to the National Hurricane Center in near real-time. Storm data are transmitted via the aircraft satellite data link to upgrade forecasting models of hurricane tracking/intensity. Because of this capability, the AOC provides reconnaissance for hurricanes within 24 hours of landfall on the United States and its territories. Additionally, the AOC augments reconnaissance by DOD aircraft on developing tropical storms and provides hurricane reconnaissance over foreign airspace where military aircraft may be prohibited.

Air Quality Research Program - The King Air aircraft supports airborne air quality research measurements for OAR including research to measure, understand, and model the physical, chemical and dynamic processes of the upper and lower atmosphere. This study includes the possible effects of the introduction of man-made pollutants. The Citation II provides the capability for high altitude atmospheric research.

Nautical Charting Operations - The Citation II jet and Turbo Commander, both camera equipped, support specialized aerial surveys and provide aerial photographs for the production of shoreline maps, shoreline revision data, nearshore bathymetric data for nautical charts, geodetic control establishment and storm evacuation routes; to position landmarks and aids to navigation; and to support other NOAA activities such as natural disaster damage assessment.

Snow Survey Program - AOC provides support to the Airborne Snow Survey Program to obtain soil moisture and snow water equivalent data from a network of flight lines. Data is provided to the National Weather Service (NWS) River Forecast Centers in Kansas City and Minneapolis, for use in issuing river and flood forecasts as part of the NWS Hydrologic Service Program. A Shrike and the Turbo Commander support this program.

Aerial Surveys - The Twin Otter, the Cessna 210, and MD-500D helicopter support NMFS aerial surveys for marine mammals, endangered species, and other fisheries. The aircraft provide the capability for surveillance, enforcement operations, and quick response in support of the NOAA HAZMAT group.

Helicopter Support - NOAA programs require the use of several different types of helicopters, 2 Bell 212 twin-engine helicopters, 1 single engine UH-1H (Bell 205) helicopter, and 1 small single engine MD-500D helicopter to support NOS, HAZMAT, OAR, and NMFS Programs. There is a wide variety of requirements including: aerial surveys, hydrographic, tide and oceanographic observations in the Arctic, tropical and remote locations; collection of biological, geological, and oceanographic specimens and samples; marine law and sanctuary enforcement; transportation to otherwise inaccessible areas to perform logistics functions; and shipboard operations in the Antarctic and Arctic for the safety of the ship, scientific investigations or logistics.

Aeronautical Charting Operations - AOC conducts comprehensive aerial reviews of NOAA-produced aeronautical charts depicting the National Airspace System. Specialized products required for safety of flight (Minimum Safe Altitude Warning data and precise obstruction location information) are gathered to ensure safe air travel. The aircraft services subactivity administers the operation of the aircraft supporting this program. A camera-equipped Shrike is partially reimbursable from the FAA. Other aircraft support this program when there is opportunity for combined missions/deployments.

The following table provides information on the aircraft fleet and crew for the current base program (missions and support fluctuate based on NOAA priorities);

Aircraft	Type	Manufact. Year	Crew/ Passenger	Primary Mission/Configuration	Crew Duty-station	Aircraft Base
HEAVY:						
(2) Lockheed WP-3D	4 engine turbo prop	1975	10/7	Atmospheric Research (OAR) Recon(NWS)	Tampa, FL	MacDill AFB
LIGHT:						
Beechcraft King Air C90	2 engine turbo prop	1972	2/2	Air Quality Research (OAR)	Tampa, FL	MacDill AFB
(2) Dehavilland Twin Otter DH6	2 engine turbo prop	1981	2/6	Aerial Surveys (NMFS)	Tampa, FL	MacDill AFB
Cessna 210 Centurion	1 engine reciprocating	1977	1/3	Aerial Surveys/training (NMFS, NOS) & Atmos. Res. (OAR)	Tampa, FL	MacDill AFB
Cessna Citation II	2 engine turbo jet	1978	3/1 2/2	Photogrammetry (NOS) & High altitude atmos. research (OAR)	Tampa, FL Rockville, MD	MacDill AFB Washington Dulles Int'l Airport
Rockwell Aero Commander 690A (Turbo Commander)	2 engine turbo prop	1974	3/0 2/1	Photogrammetry (NOS) & Snow Survey (NWS)	Rockville, MD	Washington Dulles Int'l Airport, VA
Rockwell Shrike 500S	2 engine reciprocating	1977	2/2	Snow Survey (NWS)	Minneapolis, MN	Flying Cloud Airport, MN
Rockwell Shrike 500S	2 engine reciprocating	1975	2/1	Flight Edit (NOS)	Rockville, MD	Frederick Mncpl. Arpt., MD

HELICOPTERS:

UH-1H (Bell 205)	Single engine helicopter	1966	2/7	Remote logistics support (NOS, OAR, NMFS)	Tampa, FL	Anchorage, AK
(2) Bell 212	Twin engine helicopter	1979	2/7	Remote over-water operations/ ship support(NOS, OAR, NMFS)(NMFS, NOS)	Tampa, FL	Anchorage, AK
McDonnell Douglas 500D	Single engine light helicopter	1979	1/3	Aerial Surveys & Logistics	Tampa, FL	MacDill AFB

The NOAA aircraft fleet was built gradually over a 15-year period to achieve the most cost-effective configuration while at the same time adapting to the changing NOAA requirements. The P-3's, purchased in 1975, are unique airborne platforms not duplicated elsewhere in the world. The Shrikes, the Turbo Commander, the Citation, and a Twin Otter were acquired on lease-purchase arrangements based on cost-benefit analysis by AOC after taking management of all NOAA-owned and leased aircraft assets in 1983. NOAA was able to save funds by acquiring the King Air, Cessna 210, and UH-1H helicopters through transfer from other government agencies. The Bell 212 helicopters were purchased in 1986 to meet NOAA's stringent safety requirements for Arctic over-water operations based on an analysis of the various alternatives. The MD-500D was purchased to support the NMFS shipboard operations for the Eastern Tropical Porpoise Study based on cost-benefit analysis.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Flight Hours Requested	5,395	6,420	6,520
Base funded flight hours allocated by the NAAC	1,600	1,800	1,800
Hours Flown	1,600	1,800	1,800

Exhibit 16

Department of Commerce
Operations, Research, and Facilities
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	1992 Actuals	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
11 Personnel compensation					
11.1 Full-time permanent	433,917	510,086	519,657	555,102	35,445
11.3 Other than full-time permanent	22,688	12,613	17,643	17,643	0
11.5 Other personnel compensation	24,082	24,700	24,902	26,039	1,137
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	480,687	547,399	562,202	598,784	36,582
12.1 Civilian personnel Benefits	93,804	105,915	112,011	132,382	20,371
13 Benefits for former personnel	6,402	11,060	7,873	7,873	0
21 Travel and transportation of persons	23,992	18,685	19,067	20,601	1,534
22 Transportation of things	8,644	7,958	7,733	11,586	3,853
23.1 Rental payments to GSA	31,494	52,326	63,063	62,003	(1,060)
23.2 Rental payments to others	13,005	9,316	9,594	9,081	(513)
23.3 Communications, utilities and miscellaneous charges	37,907	29,803	13,247	20,175	6,928
24 Printing and reproduction	8,108	5,190	5,129	5,961	832
25.1 Consulting services	644	532	527	527	0
25.2 Other services	526,891	614,630	537,906	678,724	140,818
26 Supplies and materials	61,793	37,242	37,876	40,697	2,821
31 Equipment	72,106	44,388	35,887	68,538	32,651
32 Lands and structures	4,483	1,816	11	11	0
33 Investments and loans	0	0	0	0	0
41 Grants, subsidies and contributions	176,639	200,486	186,513	177,414	(9,099)
42 Insurance claims and indemnities	42	14	14	14	0
43 Interest and dividends	77	1	1	1	0
44 Refunds	0	0	0	0	0
99 Total, Direct Obligations	1,546,718	1,686,761	1,598,654	1,834,372	235,718
Reimbursable Obligations	346,930	369,037	390,385	390,385	0
TOTAL OBLIGATIONS	1,893,648	2,055,798	1,989,039	2,224,757	235,718

Exhibit 16

Department of Commerce
Operations, Research, and Facilities
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actuals	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
Personnel Data					
Full-time permanent	10,581	10,828	10,692	10,931	239
Other than full-time permanent	960	981	973	973	0
Total	11,541	11,809	11,665	11,904	239
Authorized Positions:					
Full-time permanent	10,661	10,896	10,760	11,013	253
Other than full-time permanent	1,327	1,361	1,353	1,353	0
Total	11,988	12,257	12,113	12,366	253

Exhibit 17

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation				
11.1	Full-time permanent				
	Executive level	0	233	233	0
	Senior Executive Service	0	10,918	10,918	0
	General schedule	10,451	475,574	511,019	35,445
	Commissioned officers	592	17,996	17,996	0
	Wage board/wage marine	322	14,678	14,678	0
	Scientific & professional (P.L. 80-313)	6	258	258	0
	Students	0	0	0	0
	Subtotal	11,371	519,657	555,102	35,445
11.3	Other than full-time permanent				
	General schedule	4,654	16,323	16,323	0
	Wage board/wage marine	364	1,275	1,275	0
	Consultants, experts	12	45	45	0
	Hourly	0	0	0	0
	Subtotal	5,030	17,643	17,643	0
11.5	Other personnel compensation				
	Overtime	121	13,519	13,662	143
	Cash awards	39	5,497	5,497	0
	Other	42	5,886	6,880	994
	Subtotal	202	24,902	26,039	1,137

Exhibit 17

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11.8	Special personnel services payments				0
	Foreign service officers (State)				0
	Other				0
	Subtotal	0	0	0	0
11.9	Total personnel compensation	16,603	562,202	598,784	36,582
12.1	Civilian personnel benefits				
	Civil service retirement	(985)	24,213	24,224	11
	Federal Employee Retirement	2,281	21,677	32,059	10,382
	Medicare	725	8,448	9,715	1,267
	Thrift savings plan	467	5,440	6,336	896
	Federal insurance contribution act	1,253	14,598	18,549	3,951
	Health insurance	2,529	29,462	32,280	2,818
	Life insurance	95	1,104	1,417	313
	Overseas allowance (COLA)	490	5,705	6,030	325
	Employees comp fund (bec)	20	238	238	0
	Other	96	1,126	1,534	408
	Subtotal	6,971	112,011	132,382	20,371
13.0	Benefits for former personnel				
	Retired Pay	373	2,025	2,025	0
	Health benefits	0	7,299	7,299	0
	Other	(3,560)	(1,451)	(1,451)	0
	Subtotal	(3,187)	7,873	7,873	0

Exhibit 17

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
21	Travel and transportation of persons				
	Aircraft rental	0	10	10	0
	GSA vehicles	0	423	423	0
	Administrative travel	88	4,274	4,193	(81)
	Program travel	294	14,360	15,975	1,615
	Subtotal	382	19,067	20,601	1,534
22	Transportation of things				
	Trans of household goods	(64)	3,862	4,907	1,045
	GSA trucks	(31)	1,861	1,862	1
	Other	(34)	2,010	4,817	2,807
	Subtotal	(129)	7,733	11,586	3,853
23.1	Rental payments to GSA	10,737	63,063	62,003	(1,060)
23.2	Rental payments to others	278	9,594	9,081	(513)
23.3	Communications, utilities and miscellaneous charges				
	Utility services	(773)	2,485	7,895	5,410
	Aircraft charter	(82)	263	263	0
	Vessel charter	(165)	529	529	0
	Rental of office copying equipment	(56)	181	181	0
	Rental of ADP equipment	(56)	181	181	0
	Federal telecommunications system	(4,878)	0	0	0
	Other telecommunications services	(369)	6,043	6,043	0
	Postal services by USPS	(961)	3,089	3,089	0
	Other	(149)	476	1,994	1,518
	Subtotal	(7,489)	13,247	20,175	6,928

Exhibit 17

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
24	Printing and reproduction				
	Publications	(26)	2,219	2,485	266
	Public use forms	0	0	0	0
	Enevelopes	0	0	0	0
	Other	(35)	2,910	3,476	566
	Subtotal	(61)	5,129	5,961	832
25.1	Consulting services	(5)	527	527	0
25.2	Other services				
	Aircraft repair	28	792	792	0
	Vessel repair	473	10,789	10,789	0
	Contracts for research	107	9,898	13,676	3,778
	Maintenance of equipment	140	14,450	32,067	17,617
	Training:				
	University training	32	937	937	0
	CS commission training	6	167	167	0
	Other	103	3,069	4,569	1,500
	Substation observers	0	3,978	3,978	0
	Other Federal Agencies	0	342,367	430,462	88,095
	GSA alterations	0	348	348	0
	Working capital fund	(60)	1,314	1,314	0
	Other	(33,420)	149,797	179,625	29,828
	Subtotal	(32,591)	537,906	678,724	140,818

Exhibit 17

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
26	Supplies and materials				
	Chart paper	6	537	537	0
	Met. upper air	224	2,987	2,987	0
	Maintenance of vessel	4	1,220	1,220	0
	Gases	7	585	585	0
	Fuel	38	3,116	3,116	0
	ADP supplies	70	5,777	5,777	0
	Other	285	23,654	26,475	2,821
	Subtotal	634	37,876	40,697	2,821
31	Equipment				
	Office machines and equipment	0	351	405	54
	ADP hardware	0	19,835	19,835	0
	Other capitalized	23	9,380	38,587	29,207
	Non-capitalized	568	6,672	10,116	3,444
	Subtotal	591	35,887	68,538	32,651
32	Lands and structures	0	11	11	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	(4,902)	186,513	177,414	(9,099)
42	Insurance claims and indemnities	0	14	14	0
43	Interest/dividends..	0	1	1	0
44	Refunds	0	0	0	0
99	Subtotal, Direct Obligations	(12,168)	1,598,654	1,834,372	235,718
	Reimbursable Obligations	0	390,385	390,385	0
	Total Obligations	(12,168)	1,989,039	2,224,757	235,718

Exhibit 34

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities

CONSULTING AND RELATED SERVICES
(Obligations in thousands of dollars)

	1992 Actual	1993 Estimate	1994 Estimate
Management & Professional Support Services	9,229	10,676	8,348
Studies, Analysis & Evaluations	7,356	7,188	7,238
Engineering & Technical Services	4,892	5,179	4,362
Total	21,477	23,043	19,948

Consulting Services are those services of a pure nature relating to the governmental functions of agency administration and management and agency problem management. These services are normally provided by persons or organizations generally considered to have knowledge and special abilities that are not usually available within the agency. Such services can be obtained through personnel appointments, procurement contracts, or advisory committees.

Management and professional services deal with management data collection, policy review or development, program development, review or evaluation, systems engineering and other management support services. Special studies and analyses deal with the highly specialized areas of agency activity, e.g., air quality, chemical, environmental, geophysical, oceanological, technological, and etc. Management and support services for research and development are procurement actions that meet the description of management and professional services or special studies and analyses but are funded under research and development.

* NOTE. The Object Class 25.1 in BPS reflects Consultants only. It does not include Management & Professional Support Services; Studies, Analysis and Evaluation; and Engineering & Technical Services which are also defined in the A-11 as Consulting Services.

National Ocean Service ($6,840,000) - Management services in NOS are primarily to assist int he development of economic and scientific methodologies for natural resource damage assessment and to identify and assess risks to marine resources from hazardous waste sites.

Consulting services are used for program development support of interagency coordination of coastal ocean science activities, and support of expert advisory committees reviews of NOAA's coastal ocean science program.

National Marine Fisheries Service ($6,412,000) - Consulting services are used for specialized advice such as feasibility studies. This category also includes $67,000 in travel and contractual obligations for the National Marine Fisheries Advisory Committee (MAFAC), which provides the agency with outside expert advice and review. Management and professional services are used for: operations computer system support at headquarters, data management, data collection, computer programming, and program review. Special studies and analyses include: development of alternative fishery management techniques; assessing the socio-economic data base; recreational fisheries data collection and analyses; statistical consulting services; biological research and analyses; marine mammal and endangered species assessment/status review; and the study of human/mammal interactions.

Oceanic and Atmospheric Research ($24,000) - Consulting services are necessary for the laboratory review panels used by the Environmental Research Laboratories (ERL). In its formal laboratory reviews, ERL uses several outside experts in the fields of research being reviewed who serve as members of the review team.

National Weather Service ($472,000) - In FY 1994, an ongoing five-year advisory and assistance service contract (FY 1994 is the third-year option) with the National Research Council to analyze, study, and review for NOAA the implementation of plans to modernize and restructure the National Weather Service will continue.

National Environmental Satellite, Data, and Information Service ($25,000) - Management and professional services will be used to provide outside technical and scientific expertise related to spacecraft sensors. FY 1993 amounts reflect anticipated normal historical level necessary during development phase of sensor production.

Program Support ($55,000) - The intergovernmental Personnel Act Agreement will enable the agency an excellent opportunity to provide NOAA programmatic input into the development of new national programs for environmental education and training initiatives. Finally, NOAA will also benefit from the knowledge, skills, and abilities the assigned employee will return to the Agency with particulars in the development of the NOAA Foundation. NOAA Corp Operations will use structural engineering services for the Aircraft Operations Center. Special studies and analyses will be used for preparation of actuary report. of NOAA Corps retirement system required by Public Law 95-595.

Systems Program Office ($6,120,000) - Provides program planning, test evaluation technical support, site surveys, and environmental assessments to the NEXRAD program. System engineering and technical support is provided to the ASOS and AWIPS programs. Provide System Program Office-wide support for cost and life cycle analyses, risk assessment, program management support, budget control support, engineering design, development production and deployment support, technical management and documentation management support.

Exhibit 35

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PERIODICAL, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
(Obligations in thousands of dollars)

	1992 Actual	1993 Estimate	1994 Estimate
Periodicals	931	968	986
Pamphlets	623	618	623
Audiovisuals	48	23	24
Total	1,602	1,609	1,633

NOAA proposes an increase of $24,000 in the use of funds for periodicals, pamphlets, and audiovisual products for FY 1994. A brief description of expenditures for periodicals, pamphlets, and audiovisuals by activity follows.

National Ocean Service ($165,000) - The Office of Ocean Resources Conservation and Assessment produces numerous technical publications and accounts for the bulk of the NOS expenditures. Other components of NOS produce occasional technical publications. The Coast and Geodetic Survey produces a quarterly newsletter call "C&GS Update." The Marine Sanctuaries and Estuarine Reserve Systems produce pamphlets describing their programs. The Coastal Ocean Program Office expenditures are for technical reports related to NOAA and interagency coastal ocean science activities and plans.

National Marine Fisheries Service ($381,000) - Expenditures are for periodicals and pamphlets of various technical reports, programmatic bulletins and annual reports required by Congress. Audiovisual products include a display booth for workshops and meetings.

Oceanic and Atmospheric Research ($34,000) - Expenditures ar for preliminary reports and forecasts of solar-geophysical activity bi-weekly.

National Weather Service ($472,000) - Expenditures are for various weather service charts, maps, bulletins, newsletters, and reports on climate, fire weather, floods, hurricanes, tornadoes, and winter storms.

National Environmental Satellite, Data, and Information Service ($140,000) - Expenditures for periodicals include technical data publications in meteorology, oceanography, solid-earth geophysics, solar-terrestrial physics, and satellite meteorology. Pamphlets include scientific and technical reports that present results of operational, developmental, and research programs of NOAA. Audiovisual products are primarily the slide and viewgraph sets used for technical presentations of operational programs within NOAA. FY 1994 reductions reflect anticipated targets to reduce administrative costs.

Program Support ($86,000) - The Office of Legislative Affairs will use $72,000 to prepare briefing materials for use internally and externally by NOAA in the preparation of agency submissions for the departmental legislative program. NOAA Corps Bulletin, Roster of Commissioned Officers, and recruiting manuals and handouts.

Exhibit 26

Department of Commerce
National Oceanic and Atmospheric Administration
SCHEDULE OF PERMANENT POSITIONS

	1992 Actual	1993 Estimate	1994 Estimate
Executive level I		0	0
Executive level II		0	0
Executive level III	1	1	1
Executive level IV	1	1	1
Executive level V		1	1
Subtotal	2	3	3
ES-6	4	4	4
ES-5	14	14	14
ES-4	60	60	59
ES-3	8	8	8
ES-2	8	8	8
ES-1	13	13	13
Subtotal	107	107	106
GS-16	0	0	0
GS/GM-15	526	524	519
GS/GM-14	971	968	960
GS/GM-13	1,587	1,625	1,644
GS-12	1,746	1,786	1,807
GS-11	1,545	1,582	1,600
GS-10	503	515	521
GS-9	1,168	1,196	1,209
GS-8	217	222	224
GS-7	833	853	863
GS-6	634	649	658
GS-5	787	806	815
GS-4	494	506	511
GS-3	105	107	109
GS-2	54	55	56
GS-1	32	33	34
Subtotal	11,202	11,427	11,530

Exhibit 26

Department of Commerce
National Oceanic and Atmospheric Administration
SCHEDULE OF PERMANENT POSITIONS

	1992 Actual	1993 Estimate	1994 Estimate
Commissioned Officers:			
0-8 $58,345 to 72,500	3	3	3
0-7 $43,909 to 63,990	3	3	3
0-6 $32,544 to $56,22	33	33	33
0-5 $26,028 to $45,871	61	61	61
0-4 $21,942 to $38,358	83	83	83
0-3 $20,390 to $33,174	96	96	96
0-2 $17,780 to $24,617	79	79	79
0-1 $15,433 to $19,418	45	45	45
Subtotal	403	403	403
Grades established by act of August 1, 1947, Public law 80-313 (61 Stat. 715) as amended by Public Law 87-793 of October 11, 1962 (U.S.C. 3104):			
Scientific and professional $85,989:	3	3	3
Ungraded	352	352	352
Subtotal: Permanent Positions	12,069	12,295	12,397
Reimbursablle Positions	2,297	1,259	1,259
Unfilled Positions, (End Of Year)	0	0	0
Total Positions:	14,366	13,554	13,656
Average ES salary	102,043	104,487	105,283
Average GS/GM grade	10.12	10.10	10.09
Average GS/GM salary	34,601	35,343	35,441

Appropriation Language and Code Citations:
(Non-ORF Appropriations)

31 USC 718 - No specific Authority

Appropriations in annual appropriation Acts not permanent, states: "No specific or indefinite appropriation ... shall be construed to be permanent or available continuously ... unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the appropriation Act ... is contained makes provision."

Appropriation: Fishing Vessel and Gear Damage Compensation Fund

1. For carrying out the provisions of Section 3 of P.L. 95-376,

22 USC 1980 (b) - Damages to fishing vessels and gear compensation

"Subject to the provisions of this section, the owner or operator ... of any fishing vessel ... of the United States is eligible for monetary compensation ... for any damage to, loss of, or destruction of such vessel, or any fishing gear ... or both,"

2. not to exceed $1,000,000 to be derived from receipts collected pursuant to that Act,

22 USC 1980 (f) - Fishing vessel and gear damage compensation fund establishment

"Sums may be expended from the fund only to such extent and in such amounts as are provided in advance in appropriation acts."

3. to remain available until expended.

Appropriation: Fishermen's Contingency Fund

1. For carrying out the provisions of Title IV of P.L. 95-372,

43 USC 1843 - Duties and Powers

"Payments shall be disbursed by the Secretary ... to compensate commercial fishermen for actual and consequential damages,"

2. not to exceed $750,000 to be derived from receipts collected pursuant to the Act,

43 USC 1842 - Establishment of the Fishermen's Contingency Fund

"Amounts ... shall be disbursed, subject to such amounts as are provided in appropriations acts,"

3. to remain available until expended.

Appropriation: Foreign Fishing Observer Fund

1. For carrying out the provisions, as amended, P.L. 96-339,

16 USC 1824 (b) (10)

"Reasonable fees shall be paid to the Secretary by the owner or operator of any foreign fishing vessel for which a permit is issued,"

16 USC 1827 - Establishment of Foreign Fishing Observer Fund

This section authorizes the Secretary to establish a program, and also establishes the Foreign Fishing Observer Fund in the Treasury.

Appropriation: Fishing Vessel Obligations Guarantees Program

1. For carrying out the provisions of sections 1271-1280 of P.L. 97-31,

46 USC 1273 (a) - Authorization to guarantee obligations

"The Secretary ... is authorized to guarantee ... the payment of interest on, and the unpaid balance of the principal of, any obligation which is eligible..."

2. for carrying out the provisions of P.L. 101-508,

2 USC 661 (d) - Authorization

"There are authorized ... such sums as may be necessary to pay the cost of associated with such direct loan obligations or loan guarantee commitments."

3. Appropriation, P.L. 102-40, as amended, P.L. 102-229.

"For the cost, as defined in section 502 of the Federal Credit Reform Act of 1990 ... In addition, for administrative expenses to carry out the guaranteed loan program ... which may be transferred to and merged with Operations, Research, and Facilities."

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
SUMMARY OF RESOURCE REQUIREMENTS

(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount available for FY 1993 as shown in 1994 President's Budget	5	$89,775	5	$105,732
Less (or plus): Dec. 17, 1992 Proposed Transfers not implemented (by P.L. 102-395)	0	2,500	0	2,500
Amount Currently Available, 1993	5	92,275	5	108,232
Less (or plus): transfers per P.L. 102-395 subsequently approved	0	2,225	0	2,225
Apropriation, 1993	5	94,500	5	110,457
Less: Obligations from prior years	0	0	0	(15,957)
plus: 1994 Adjustments to base	0	(2,870)	0	(2,870)
1994 Base	5	91,630	5	91,630
1994 investment	0	14,651	0	14,651
plus: 1994 Program changes	0	(27,218)	0	(27,218)
1994 Estimate	5	79,063	5	79,063

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personne	Amount	Personne	Amount	Personne	Amount	Personne	Amount	Personnel	Amount
Account	Pos./BA	20	$34,917	5	$92,275	5	$91,630	5	$79,063	0	(12,567)
	FTE/Obl.	20	18,960	5	108,232	5	91,630	5	$79,063	0	(12,567)
Direct Obligations	Pos./BA	20	34,917	5	92,275	5	91,630	5	79,063	0	(12,567)
	FTE/Obl.	20	18,960	5	108,232	5	91,630	5	79,063	0	(12,567)
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year					(15,957)						
Unobligated balance, transferred											
Unobligated balance, end of year			15,957								
Unobligated balance, expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts					2,225						
Appropriation			34,917		94,500		91,630		79,063		(12,567)

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	18,960	108,232	91,630	79,063	(12,567)
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year		(15,957)			
Unobligated balance transferred					
Unobligated balance, end of year	15,957				
Unobligated balance expiring					
Budget Authority	34,917	92,275	91,630	79,063	(12,567)
Financing:					
Transferred from other accounts					
Transferred to other accounts		2,225			
Appropriation	34,917	94,500	91,630	79,063	(12,567)

Exhibit 8

National Oceanic and Atmospheric Administration
Construction
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Transfer:			
Adjustment:			
1994 FTE reduction			(12)
1994 Administrative expenses			(633)
Financing:			
OTHER CHANGES:			
Continuation of 1993 operating level			(2,225)
Total, Adjustment to Base	0	0	(2,870)

Exhibit 9

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Construction
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	AMOUNT
Adjustment:		
FTE Reduction		
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a savings of $12,000.		(12)
Administrative Expenses		(633)
Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $633,000 in 1994 for administrative expenses.		
Other Changes:		
Continuation of 1993 operating level		(2,225)
The reduction of $2,225,000 is consistent with the 1993 operating level as approved by Congress.		

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Goal Statement

To provide for land acquisition, the construction of new facilities, for repairs, preventive actions, modifications and additions to existing facilities, for facilities maintenance, environmental compliance, safety and health, and for facilities consolidation, in the most economical, efficient and effective manner.

Proposed Legislation

No legislation is proposed.

Base Program

Construction: The Construction base program provides for adequate maintenance and repair for all NOAA facilities; the continuation of the environmental compliance program pursuant to existing environmental laws, regulations and guidelines; and to provide oversight to ensure the construction and modification of new facilities are accomplished in a timely manner and meet established standards.

As the NOAA-owned facilities approach an average age of 30 years, investment in significant major repairs and upgrades becomes increasingly critical. Major systems in many facilities are well past their design life and require maintenance, repair or replacement to ensure that the facilities remain available to support NOAA's programs. NOAA also must ensure all facilities comply with all environmental laws, regulations and safety requirements. At the NOAA-owned installations, there are approximately 627 fuel tanks, many underground, which must be brought into compliance with EPA regulations. Some need to be replaced while many more require modifications including installation of leak detection systems. Projects also include the removal of asbestos and clean-up of existing hazardous waste sites. A large clean-up effort is underway in the Pribilof Islands, Alaska. The Office of Administration will provide central administration of this program, prioritizing critical environmental compliance and safety services needs across all NOAA programs.

The specific activities funded by this appropriation include:

NEXRAD User Facilities and Land Acquisition - A major facilities modernization program is underway to meet National Weather Service (NWS) Weather Forecast Office (WFO) facility requirements supporting the provision of public weather services and the nationwide fielding of NEXRAD systems. The program involves land acquisition, engineering, facility design, and site preparation for the construction, modification, and leasing of 116 WFOs and 13 collocated River Forecast Centers (RFCs). The facilities effort is structured by the NWS to ensure completion of the WFOs/RFCs in sufficient time to receive the NEXRAD units as contractually scheduled.

Silver Spring Facilities - This initiative funds the consolidation of the majority of NOAA employees in the Washington, D.C. metropolitan area at the Silver Spring Metro Center (SSMC) in Silver Spring, MD. The consolidation will allow NOAA to achieve the GSA space utilization standard in modern, high quality Federal work space designed to satisfy NOAA's needs. NOAA began its consolidation of employees at the Metro Center Complex in FY 1988. NOAA moved into SSMC Buildings 1 and 2 in FY 1990. Construction of SSMC Buildings 3 and 4 began in 1991. Fiscal Year 1994 emphasis will be on addressing post-occupancy adjustments and modifications necessary to bring SSMC 3 and 4 to a fully functional level.

New Facilities Construction - NOAA is required to fund the construction cost differential between the standard GSA office building and type of science laboratory needed to perform NOAA's research and development, and environmental forecasting programs in Boulder, Colorado.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Facilities Maintenance			
Number of Facilities Maintenance projects funded	25	8	25
Number of Facilities Maintenance projects in backlog	163	230	275
Environmental Compliance			
Number of Environmental Compliance projects funded	12	10	10
Number of Environmental Compliance projects in backlog	29	40	40
Facilities Consolidation			
Number of work stations designed	2,700	...	0
Square feet of interior space built out (in 000)	0	700	0
Number of work stations ordered and installed	...	2,700	0
Number of employees relocated to Silver Spring Metro Center 3 & 4	...	2,700	0
Square feet of special purpose space designed (in 000)	40	250	0
WFO Facilities Accepted (B.O.D)	6	22	38
New Facilities Construction			
Number of people to be collocated in the new building (from 4 bldgs)	...	...	1,052
Number of collocated physical laboratories (from 3 bldgs)	...	...	86

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Contruction
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Construction	Pos.\BA	5	$91,630	5	$79,063	0	($12,567)
	FTE\Obl.	5		5		0	

Construction: (-$12.567 million) NOAA requests a net decrease of $ 12.567 million in Construction.

NEXRAD User Facilities and Land Acquisition (+0 FTE, $14.7 million): NOAA requests an increase of $14,651,000 required to continue land acquisition, engineering, design and site preparation for the construction/modification of WFO/RFC facilities. The National Weather Service (NWS) modernization systems are now being deployed, and it is critically important that the facilities modernization keep pace to support the Weather Forecast Office (WFO) transition. The Facilities Modernization Program will provide 116 modern WFOs and River Forecast Centers. These facilities are essential for transitioning to the modernized Weather Service. The recent NEXRAD contract settlement was completed in November 1991, and included a very challenging deployment schedule - which the government is responsible to meet.

Facilities-related delays incurred over the last year required the NWS to undertake a broad facilities "recovery" effort. This effort led to strengthened program management and special efforts to minimize the occurrence of delays with occupancy of new facilities, as well as to contain costs in FY 1993. In FY 1994, the NWS needs to aggressively continue with real property acquisition, design and engineering work, and construction of WFOs.

	1994	1995	1996	1997	1998
Weather Forecast Offices:					
Design Start	116	116	116	116	116
Design Complete	116	116	116	116	116
Construction Start	114	116	116	116	116
Construction Complete	79	113	116	116	116
Percent of Land Acquisition	95	100	100	100	100

	1994	1995	1996	1997	1998
	(Dollar amounts in thousands)				
Cost:					
Direct Obligations					
Capitalized	$12,257	($30,000)	($39,339)	($40,339)	($40,339)
Uncapitalized	2,394	(3,394)	(5,394)	(6,394)	(6,394)
Total	14,651	(33,223)	(44,560)	(46,560)	(46,560)
Budget Authority	14,651	(33,394)	(44,733)	(46,733)	(46,733)
Outlays	2,344	3,741	(24,638)	(42,559)	(46,292)
FTE	0	13	9	0	0

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Construction**
Subactivity: **Construction**
Program Change: **Construction**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	256
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	256
12.1	Civilian personnel benefits	72
13.0	Benefits for former personnel	
21	Travel and transportation of persons	150
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	12
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	90
25	Other services	2,394
26	Supplies and materials	7
31	Equipment	13
32	Lands and structures	11,657
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	14,651

Program Decreases: Decreases totalling $27,218K are requested to terminate: low priority programs that are not consistent with NOAA's mission, programs that are not necessary to meet essential program needs, or, given the need to reduce simultaneously the Federal budget deficit and fund higher priority on-going programmatic needs, programs for which continued support cannot be provided in FY 1994.

(Dollar amount in thousands)

Multispecies Aquaculture Center	-$ 381
Woods Hole Biology Lab	-$ 953
Newport Marine Science Center	-$ 1,752
Alaska Fisheries Center	-$ 95
Colombia River Facilities	-$ 7,822
U of N.H. Biological Sciences	-$14,309
Boston Biotech	-$ 953
Mystic, CT Maritime Ct	$ 953

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Construction**
Subactivity: **Construction**
Program Change: **Construction**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(95)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	(27,123)
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	**(27,218)**

Department of Commerce
National Oceanic and Atmospheric Administration
Construction

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	799	485	402	658	256
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	799	485	402	658	256
12.1	Civilian personnel benefits	139	114	94	166	72
13	Benefits for former personnel					0
21	Travel and transportation of things	114	139	114	264	150
22	Transportation of things	5	9	8	8	0
23.1	Rental payments to GSA		11	9	9	0
23.2	Rental payments to others	73	9	8	21	13
23.3	Commun., util., misc. charges	0	3	3	3	0
24	Printing and reproduction	49	72	59	149	90
25.1	Consulting services					0
25.2	Other services	10,074	22,851	19,152	21,450	2,298
26	Supplies and materials	245	9	8	15	7
31	Equipment	71	34	29	42	13
32	Lands and structures	7,391	47,874	40,649	52,306	11,657
33	Investments and loans					0
41	Grants, subsidies and contributions		36,622	31,095	3,972	(27,123)
42	Insurance claims and indemnities					0
43	Interest and dividends	0	0	0	0	0
44	Refunds					
99	**Total Obligations**	18,960	108,232	91,630	79,063	(12,567)
	Unobligated balanced					
	Total Budget Authority	18,960	108,232	91,630	79,063	(12,567)

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Construction
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

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	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Personnel Data					
Full-time Equivalent Employment:					
Full-time permanent	20	5	5	5	
Other than full-time permanent					
Total	20	5	5	5	0
Authorized Positions:					
Full-time permanent	20	5	5	5	
Other than full-time permanent					
Total	20	5	5	5	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Appropriation, 1993	0	470	0	470
plus: 1994 Adjustments to base	0	13	0	13
1994 Base	0	483	0	483
plus: 1994 Program changes	0	(483)	0	(483)
1994 Estimate	0	0	0	0

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Administrative Costs	Pos./BA	0	$1,701	0	$0	0	$0	0	$0	0	$0
	FTE/Obl	0	1,693	0	0	0	0	0	0	0	0
Subsidy Costs	Pos./BA	29	$69	0	$470	0	$483	0	$0	0	(483)
	FTE/Obl	29	69	0	470	0	483	0	0	0	(483)
Direct Obligations	Pos./BA	29	1,770	0	470	0	483	0	0	0	(483)
	FTE/Obl	29	1,762	0	470	0	483	0	0	0	(483)
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year											
Unobligated balance, transferred											
Unobligated balance, end of year											
Unobligated balance, expiring			8								
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											
Appropriation			1,770		470		483		0		(483)

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	1,762	470	483	0	(483)
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year					
Unobligated balance transferred					
Unobligated balance, end of year					
Unobligated balance expiring	8				
Budget Authority	1,770	470	483	0	(483)
Financing:					
Transferred from other accounts					
Transferred to other accounts					
Appropriation	1,770	470	483	0	(483)

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Transfer:			
Adjustment: Inflationary adjustment.			13
Financing:			
Total, Adjustment to Base			13

Exhibit 9

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Fishing Vessel Obligations Guarantees Program Account
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Adjustment	FTE	AMOUNT
Based on recent economic assumptions, the cost of administrative costs would increase by $13,000.	0	13

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Fishing Vessel Obligations Guarantees Program Account**
Subactivity: **Fishing Vessel Obligations Guarantees Program Account**

Goal Statement

Provide a loan guarantee program that makes long-term private credit at institutional-investment-market interest rates available for financing and refinancing the fishing industry's major capital investments for fishing vessels and shoreside processing facilities without contributing to overcapitalization of the fishing industry.

Proposed Legislation

No legislation is proposed.

Base Program

The Merchant Marine Act of 1936, as amended, created the Federal Ship Financial Fund and authorized the Secretary to guarantee obligations for fishing vessels, shoreside processing plants and aquaculture. The Credit Reform Act of 1990 was passed to: (1) measure more accurately the costs of Federal credit programs; (2) place the cost of credit programs on a budgetary basis equivalent to other Federal spending; (3) encourage the delivery of benefits in the form most appropriate to the needs to the beneficiaries; and (4) improve the allocation of resources among credit programs and between credit and other spending programs. As a result of this Act, the Federal Ship Financing Fund became a liquidating account for loan guarantees made prior to October 1, 1991. Any new loan guarantees made on or after October 1, 1991 (FY 1992) were made under the Fishing Vessel Obligations Guarantees (FVOG) appropriation. In FY 1993, the FVOG has an implied loan guarantee ceiling of $47 million based on a 1 percent subsidy rate and an appropriation of $470,000.

Providing the U.S. Government's credit rating to qualified program participants from the fishing industry, the Fishing Vessel Obligations Guarantees program assists the U.S. fishing industry by providing for access to the private market for long term debt. The net effect is to decrease annual debt service burdens (primarily by increasing repayment maturities, but also by decreasing interest costs) more consistently with the cost and useful lives of fisheries production equipment and the variable economics of the fishing industry. Fees charged to program participants are deposited in the fund and can be used to offset the cost of program defaults. Administrative expenses for the program are paid for through the Operations, Research and Facilities account.

The FY 1994 President's budget proposes that no new loan guarantees be made. Therefore, no request is made for subsidy costs. The FVOG program represents an inappropriate and unnecessary intrusion into the private credit markets. Sufficient financing on adequate financial terms is available through the private credit markets.

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
	Personnel		Amount	Personnel	Amount	Personnel	Amount
Subsidy Costs	Pos.\BA	0	$483	0	$0	0	($483)
	FTE\Obl.	0		0		0	

A decrease of $483,000 is requested as a program termination for the Fishing Vessel Obligations Guarantees Program Account.

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Operations, Research, and Facilities
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Fishing Vessel Obligations Guarantees Program Account**
Subactivity: **Fishing Vessel Obligations Guarantees Program Account**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	(483)
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	(483)

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	1,345	0	0	0	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	1,345	0	0	0	0
12.1	Civilian personnel benefits	230	0	0	0	0
13	Benefits for former personnel	6	0	0	0	0
21	Travel and transportation of things	37	0	0	0	0
22	Transportation of things	1	0	0	0	0
23.1	Rental payments to GSA		0	0	0	0
23.2	Rental payments to others	20	0	0	0	0
23.3	Commun., util., misc. charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	31	0	0	0	0
26	Supplies and materials	17	0	0	0	0
31	Equipment	6	0	0	0	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	470	483	0	(483)
41	Grants, subsidies and contributions	69	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	1,762	470	483	0	(483)
	Less prior year recovery		0			
	Total Budget Authority		0	483	0	(483)

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel Obligations Guarantees Program Account
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Personnel Data					
Full-time Equivalent Employment:					
Full-time permanent	29				
Other than full-time permanent					
Total	29	0	0	0	0
Authorized Positions:					
Full-time permanent	29				
Other than full-time permanent					
Total	29	0	0	0	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding And Conversion
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount available for FY 1993 as shown in 1994 President's Budget	16	$28,500	16	$49,568
Amount Currently Available, 1993	16	28,500	16	49,568
Less (or plus): transfers per P.L. 102-395 subsequently approved		1,500		1,500
Apropriation, 1993	16	30,000	16	51,068
Less: Obligations from prior years				(21,068)
plus: 1994 Adjustments to base		(2,406)		(2,406)
1994 Base	16	27,594	16	27,594
plus: 1994 Program changes		(4,530)		(4,530)
1994 Estimate	16	23,064	16	23,064

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Fleet Modernization,	Pos./BA	15	$33,200	16	$28,500	16	$27,594	16	$23,064	0	(4,530)
Shipbuilding and Conversion	FTE/Obl.	15	12,132	16	49,568	16	27,594	16	23,064	0	(4,530)
Direct Obligations	Pos./BA	15	33,200	16	28,500	16	27,594	16	23,064	0	(4,530)
	FTE/Obl.	15	12,132	16	49,568	16	27,594	16	23,064	0	(4,530)
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year					(21,068)						
Unobligated balance, transferred											
Unobligated balance, end of year			21,068								
Unobligated balance, expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts					1,500						
Appropriation			33,200		30,000		27,594		23,064		(4,530)

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
SUMMARY OF FINANCING

(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	12,132	49,568	27,594	23,064	(4,530)
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year		(21,068)			
Unobligated balance transferred					
Unobligated balance, end of year	21,068				
Unobligated balance expiring					
Budget Authority	33,200	28,500	27,594	23,064	(4,530)
Financing:					
Transferred from other accounts					
Transferred to other accounts		1,500			
Appropriation	33,200	30,000	27,594	23,064	(4,530)

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
ADJUSTMENT TO BASE

(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Transfer:			
Adjustment:			
FTE Reduction			(51)
Administrative Expense			(855)
Financing:			
OTHER CHARGES:			
Continuation of 1993 operating level			(1,500)
Subtotal, Other Changes	0	0	(1,500)
Total, Adjustment to Base	0	0	(2,406)

Exhibit 9

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
JUSTIFICATION OF ADJUSTMENTS TO BASE

(Dollar amounts in thousands)

Adjustment	FTE	AMOUNT
FTE Reduction Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a saving of ($51,000).		(51)
Administrative Expenses Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a saving of ($855,000) in 1994 for Administrative expenses.		(855)
Other Charges		
Continuation of 1993 operating level The reduction of $1,500,000 is consistent with the 1993 operating level as approved by Congress.		(1,500)
Total	0	(2,406)

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Fleet Modernization, Shipbuilding and Conversion**
Subactivity: **Fleet Modernization, Shipbuilding and Conversion**

Goal Statement

The goal of the fund is to modernize and replace NOAA's fleet of oceanographic, survey, and fisheries research vessels to effectively and efficiently meet NOAA's highest priority program requirements.

Proposed Legislation

No legislation is proposed.

Base Program

Fleet Modernization, Shipbuilding, and Conversion: NOAA's survey and research fleet supports critical agency missions in mapping and charting, assessment of living marine resources, environmental monitoring, and oceanographic research.

Most of NOAA's 22-ship fleet is approaching 30 years of service which is generally considered the life expectancy of a ship that has had the benefit of midlife modernization. None of NOAA's ships have had a midlife modernization, although 6 have had a partial rehabilitation. If critical maintenance is not performed and replacement and modernization are not funded, NOAA will have only a few serviceable ships by the year 2000.

NOAA's ships were constructed with the technology of the 1960's to satisfy the mission objectives of that era. Since these ships were built, significant advances have occurred in technology and mission protocol. NOAA's ships are not presently equipped to handle the full array of scientific needs for current program missions.

In response to the growing concern about NOAA's capability to meet its program needs, an Ocean Fleet Modernization Study was commissioned in January, 1990, that included participants from several federal agencies, academia, and the private sector. The goal of the three-phase study was to state clearly the ocean mission of NOAA in its three areas of responsibility and to determine the capability and size of a modern fleet necessary to carry out these missions. This study recommends that fleet modernization should be an urgent, NOAA-wide priority, and that NOAA should implement a long-term, cost-effective fleet modernization strategy. The study further recommended the modernization and replacement of the NOAA fleet should become a national priority and that information for decision-making on environmental matters must be based on sound research and survey data as acquired by NOAA's research vessels.

The modernization of the NOAA fleet began in FY 1992 and continued in FY 1993 with the performance of critical maintenance, identification of repair and construction detailed requirements, preparation of design and technical specifications, and transfer and testing of one, nearly new, surplus Navy ship.

Explanation and Justification: This appropriation is for expenses necessary for the construction, acquisition, leasing, or conversion of vessels, including related equipment, as part of NOAA's program to modernize and replace the agency's fleet of oceanographic, survey and fisheries research vessels. The activities include critical maintenance, routine maintenance, and repairs-to-extend ships' service lives, replacement and upgrades of ship systems, subsystems and equipment.

Statement of Operating Objectives: (1) to replace existing NOAA ships with new or converted ships that will provide effective and efficient support for NOAA programs into the 21st century; (2) to perform major repairs and modernize appropriate existing NOAA ships to extend their service lives and improve their performance; use chartered ships as necessary while NOAA ships are undergoing repair or maintenance; (3) to perform critical maintenance on NOAA ships to allow continued safe and effective operations until these ships can undergo major repairs or be replaced; (4) to perform routine maintenance of the fleet; and (5) to replace obsolete instrumentation and related mission equipment with more effective systems.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
RTE Requirements Completed	2	2	2
Repairs to extend (RTE) specifications completed	0	2	0
RTE contracts awarded	0	0	1
RTE completed	0	0	0
Ship construction/conversion requirements completed	0	0	1
Ship construction/conversion specifications completed	0	0	2
Ship construction/conversion contracts awarded	0	0	1
*Ships on which critical maintenance performed	15	17	7
Small boat designs completed and construction contracts awarded	0	0	0
Small boat construction completed	0	0	0

*Some ships may receive critical maintenance in more than one year

Exhibit 13

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
	Personnel		Amount	Personnel	Amount	Personnel	Amount
Fleet Modernization, Shipbuilding, and Conversion	Pos.\BA	16	$27,594	16	$23,064	0	($4,530)
	FTE\Obl.	16		16		0	

Fleet Modernization, Shipbuilding, and Conversion ($4,530,000): NOAA requests a decrease of $4,530,000 from the FY 1994 base. Funds appropriated in FY 1993, in addition to the FY 1994 request, will be sufficient to continue the Fleet Modernization program. Long-term requirements for the program are now being assessed.

(Dollar amounts in thousands)

	1994
Cost and Benefits:	
Direct Obligations:	
Capitalized	
Uncapitalized	(4,530)
Total	(4,530)
Budget Authority	(4,530)
Outlays	(680)
FTE	0
Benefits, in thousands	

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity: **Fleet Modernization, Shipbuilding and Conversion**
Subactivity: **Fleet Modernization, Shipbuilding and Conversion**
Program Change: **Fleet Modernization, Shipbuilding and Conversion**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	Total personnel compensation	
12.1	Civilian personnel benefits	
13.0	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Communications, utilities and miscellaneous charges	
24	Printing and reproduction	
25	Other services	(4,530)
26	Supplies and materials	
31	Equipment	
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Direct obligations**	(4,530)

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	1,374	2,228	1,517	1,517	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	Total personnel compensation	1,374	2,228	1,517	1,517	0
12.1	Civilian personnel benefits	187	413	492	492	0
13	Benefits for former personnel					
21	Travel and transportation of things	87	210	117	117	0
22	Transportation of things	13	23	13	13	
23.1	Rental payments to GSA		89	51	51	
23.2	Rental payments to others					
23.3	Commun., util., misc. charges	74	129	72	72	0
24	Printing and reproduction	2	3	2	2	
25.1	Consulting services					
25.2	Other services	9,355	26,120	24,311	19,781	(4,530)
26	Supplies and materials	667	1,160	646	646	0
31	Equipment	370	19,188	370	370	
32	Lands and structures					
33	Investments and loans					
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities					
43	Interest and dividends	3	5	3	3	
44	Refunds					
99	**Total Obligations**	12,132	49,568	27,594	23,064	(4,530)
	Unobligated balanced		(21,068)			
	Total Budget Authority	12,132	28,500	27,594	23,064	(4,530)

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fleet Modernization, Shipbuilding and Conversion
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Personnel Data					
Full-time Equivalent Employment:					
Full-time permanent	15	16	16	16	
Other than full-time permanent					
Total	15	16	16	16	0
Authorized Positions:					
Full-time permanent	15	16	16	16	
Other than full-time permanent					
Total	15	16	16	16	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
GOES Satellite Contingency Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount Currently Available, 1993	0	0	0	16,575
Less (or plus): transfers per P.L. 102–395 subsequently approved	0	0	0	0
less: Obligations from prior year	0	0	0	(16,575)
1994 Base	0	0	0	0
plus: 1994 Program changes	0	0	0	0
1994 Estimate	0	0	0	0

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
GOES Satellite Contingency Fund	Pos./BA	0	$110,000	0	$0	0	$0	0	$0	0	0
	FTE/Obl	0	19,484	0	16,575	0	0	0	0	0	0
Direct Obligations	Pos./BA	0	110,000	0	0	0	0	0	0	0	0
	FTE/Obl.	0	19,484	0	16,575	0	0	0	0	0	0
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year					(90,516)		(73,941)		(73,941)		
Unobligated balance, transferred											
Unobligated balance, end of year			90,516		73,941		73,941		73,941		
Unobligated balance, expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											
Appropriation			110,000		0		0		0		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
GOES Satellite Contingency Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	19,484	16,575	0	0	0
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year		(90,516)	(73,941)	(73,941)	
Unobligated balance transferred					
Unobligated balance, end of year	90,516	73,941	73,941	73,941	
Unobligated balance expiring					
Budget Authority	110,000	0	0	0	0
Financing:					
Transferred from other accounts					
Transferred to other accounts					
Appropriation	110,000	0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Geostationary Operational Environemtnal Satellite Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Geostationary Operational Environmental Satellite Fund**
Subactivity: **Geostationary Operational Environmental Satellite Fund**

Goal Statement

The goal of the Geostationary Operational Environmental Satellite (GOES) Contingency Fund is to maintain geostationary (GOES) meteorological satellite coverage of the United States for monitoring and prediction of hurricanes and severe storms. The fund was established because the current geostationary satellite, GOES 7, may fail before the GOES I-M satellite series is available for operational service.

Proposal Legislation

No Legislation is proposed.

Base Program

The GOES Contingency Fund was established at a level of $110 million in the 1992 Appropriations Act (P.L. 102-140, p. 105 STAT 800) to remain available until expended for costs necessary to maintain NOAA geostationary meteorological satellite coverage for monitoring and prediction of hurricanes and severe storms, including, but not limited to the procurement of gap filler satellites, launch vehicles, and payments to foreign governments. These funds shall not become available for obligation until the Secretary of Commerce notifies the Appropriations Subcommittees of the House and Senate that a requirement for these funds exists through the reprogramming provisions.

The use of $21,485,000 in FY 1992 and $16,575,000 in FY 1993 has been approved by the Congress to fund METEOSAT equipment and operations, as well as the "No GOES" activities of the National Weather Service. A balance of $71,940,000 remains available. Funding will be requested from this fund in FY 1994 for the continued operation of the joint U.S./European Meteosat program.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
GOES Satellite Contingency Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	0	0	0	0	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of things	0	0	0	0	0
22	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Commun., util., misc. charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	19,117	11,675	0	0	0
26	Supplies and materials	0	0	0	0	0
31	Equipment	367	4,900	0	0	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	19,484	16,575	0	0	0
	Less prior year recovery		0			
	Total Budget Authority		0	0	0	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Fisheries Promotional Fund
SUMMARY OF RESOURCE REQUIREMENTS

(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount Currently Available, 1993	0	0	0	100
Less (or plus): transfers per P.L. 102-395 subsequently approved	0	0	0	0
Apropriation, 1993	0	0	0	100
Less: Obligations from prior years	0	0	0	(100)
plus: 1994 Adjustments to base	0	0	0	0
1994 Base	0	0	0	0
plus: 1994 Program changes	0	0	0	0
1994 Estimate	0	0	0	0

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personn	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Account	Pos./BA	1	$250	0	$0	0	$0	0	$0	0	0
	FTE/Obl.	1	355	0	100	0	0	0	$0	0	0
Direct Obligations	Pos./BA	1	250	0	0	0	0	0	0	0	0
	FTE/Obl.	1	355	0	100	0	0	0	0	0	0
Adjustments to Obligations											
Recoveries			(12)								
Unobligated balance, start of year			(193)		(100)						
Unobligated balance, transferred											
Unobligated balance, end of year			100								
Unobligated balance, expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts					0						
Appropriation			250		0		0		0		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Fisheries Promotional Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	355	100	0	0	0
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries	(12)				
Unobligated balance, start of year	(193)	(100)			
Unobligated balance transferred					
Unobligated balance, end of year	100				
Unobligated balance expiring					
Budget Authority	250	0	0	0	0
Financing:					
Transferred from other accounts					
Transferred to other accounts					
Appropriation	250	0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Fisheries Promotional Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Fisheries Promotional Fund**
Subactivity: **Fisheries Promotional Fund**

Goal Statement

To provide funding for the National Fish and Seafood Promotional Council

Proposed Legislation

No legislation is proposed.

Base Program

Title II of Public Law 99-659, the Fish and Seafood Promotion Act of 1986, enacted November 14, 1986, established the Fisheries Promotional Fund (FPF) and a National Fish and Seafood Promotional Council. The FPF provides funding for the Council. Funding for the FPF was from the transfer of S-K Funds authorized by the Act and were subject to appropriation. The National Council was charged with marketing seafood products and fostering their sales nationally. The goal of the activity was to strengthen the competitive position of the United States commercial fishing industry in the domestic and international marketplace. The objectives were to: encourage the development and utilization of all species of fish available for harvest by the United States fishing industry; encourage the utilization of domestically-produced fish through enhancement of markets, promotion, and public relations; help the United States' fishing industry develop methods to improve quality and efficiency in the marketplace; educate and inform consumers on the use of fish; develop better coordination of fisheries marketing and promotion activities with commercial fisheries research and development programs; and, educate and inform the public about the nutritional value of fish in the diet.

1992

No funding was appropriated to support this effort in FY 1992 as the authorization expired on December 31, 1991.

1993

The FY 1993 budget assumes termination of FPF activities.

1994

The FY 1994 budget assumes termination of FPF activities.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fisheries Promotional Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

15-Apr-93
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	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	52	15	0	0	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	52	15	0	0	0
12.1	Civilian personnel benefits	7	1			0
13	Benefits for former personnel					0
21	Travel and transportation of things	11	2			0
22	Transportation of things	1	1			0
23.1	Rental payments to GSA					0
23.2	Rental payments to others					0
23.3	Commun., util., misc. charges	3	1			0
24	Printing and reproduction	6	2			0
25.1	Consulting services					0
25.2	Other services	4	1			0
26	Supplies and materials	3	1			0
31	Equipment					0
32	Lands and structures					0
33	Investments and loans					0
41	Grants, subsidies and contributions	268	76			0
42	Insurance claims and indemnities					0
43	Interest and dividends	0	0	0	0	0
44	Refunds					
99	**Total Obligations**	355	100	0	0	0
	Unobligated balanced					
	Total Budget Authority	355	100	0	0	0

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fisheries Promotional Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

15-Apr-93
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Personnel Data	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Full-time Equivalent Employment:					
Full-time permanent	1	0	0	0	0
Other than full-time permanent					
Total	**1**	**0**	**0**	**0**	**0**
Authorized Positions:					
Full-time permanent	1	0	0	0	0
Other than full-time permanent					
Total	1	0	0	0	0

Exhibit 5

Department Of Commerce
National Oceanic And Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount Currently Available, 1993	0	$6,408	0	$7,443
Less: obligations from prior years	0	0	0	(1,035)
plus: 1994 Adjustments to base	0	(8)	0	(8)
1994 Base	0	6,400	0	6,400
plus: 1994 Program changes	0	(6,400)	(7)	(6,400)
1994 Estimate	0	0	0	0

Comparison by activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Promote and develop	Pos./BA	7	$1,013	7	$6,408	7	$6,400	0	0	(7)	($6,400)
Fisheries Products	FTE/Obl.	7	6,912	7	7,443	7	6,400	0	0	(7)	(6,400)
Direct Obligations	Pos./BA	7	1,013	7	6,408	7	6,400	0	0	(7)	(6,400)
	FTE/Obl.	7	6,912	7	7,443	7	6,400	0	0	(7)	(6,400)
Adjustments to Obligations											
Recoveries		0	(110)	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(6,824)	0	(1,035)	0	0	0	0	0	0
Unobligated balance, transferred		0	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year		0	1,035	0	0	0	0	0	0	0	0
Unobligated balance, expiring		0	0	0	0	0	0	0	0	0	0
Financing from transfers:											
Transfer from other accounts		0	(64,113)	0	(61,408)	0	(61,400)	0	(61,400)	0	0
Transfer to other accounts		0	63,100	0	55,000	0	55,000	0	61,400	0	6,400
Appropriation		7	0	7	0	7	0	0	0	(7)	0

Exhibit 7

Department Of Commerce
National Oceanic And Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	6,912	7,443	6,400	0	(6,400)
Offsetting Collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(110)	0	0	0	0
Unobligated balance, start of year	(6,824)	(1,035)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	1,035	0	0	0	0
Unobligated balance expiring	0	0	0	0	0
Budget Authority	1,013	6,408	6,400	0	(6,400)
Financing:	0	0	0	0	0
Transferred from other accounts	(64,113)	(61,408)	(61,400)	(61,400)	0
Transferred to other accounts	63,100	55,000	55,000	61,400	6,400
Appropriation	0	0	0	0	0

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	Amount
Transfer:			(8)
Total, Adjustment to Base	0	0	(8)

Exhibit 9

Department Of Commerce
National Oceanic And Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Transfer		
The transfer from the Department of Agriculture is anticipated to be $8,000 less than 1993.		(8)

Department of Commerce
National Oceanic and Atmospheric Administration
Promote and Develop Fisheries Products
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Promote and Develop Fisheries Products**
Subactivity: **Promote and Develop Fisheries Products**

Goal Statement

Promote and develop fishery products and research pertaining to American fisheries (Saltonstall-Kennedy (S-K) Grants).

Proposed Legislation

No legislation is proposed.

Base Program

1992

For FY 1992, the S-K transfer from the Department of Agriculture to NOAA was $64.113 million. Of this amount, $63 million was used to offset the Operations, Research and Facilities appropriation. The remaining $1.013 million in the S-K Fund was used to provide funding for existing multi-year awards and as a contingency for award overruns ($0.513 million) and for program and grant management activities ($0.5 million). No funding was transferred to the Fisheries Promotional Fund because its authorization expired on December 31, 1991.

1993

For FY 1993, the S-K transfer from the Department of Agriculture to NOAA was $61.408 million. Of this amount, $55 million was used to offset the operations, research and facilities appropriation. The remaining $6.408 million was used to provide funding for grants for the development of U.S. fisheries ($5.908 million) and for program administration ($0.5 million). No funding was transferred to the Fisheries Promotional Fund because its authorization expired on December 31, 1991.

1994

For FY 1994, NOAA proposes that the entire S-K transfer (estimated at $61.4 million) from the Department of Agriculture be transferred to the Operations, Research, and Facilities (OR&F) account. Funds are not requested for industry assistance grants because these activities are not of the same critical nature as those proposed for support in the OR&F account and because direct support for industry development and marketing projects is more appropriately a role of the U.S. fishing industry. No funds are requested for transfer to the Fisheries Promotional Fund because its authorization expired on December 31, 1991.

Exhibit 13

Department Of Commerce
National Oceanic and Atmospheric Administration
Promote and Develop Fisheries Products and Research Pertaining to American Fisheries
CHANGES FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Promote and Develop Fisheries Products	Pos.\BA	7	$6,400	0	0	(7)	(6,400)
	FTE\Obl.	7		0		(7)	

A decrease of $6,400,000 is requested for this account. In order to fund essential, activities all of the funds available in this account through transfer from the Department of Agriculture are proposed to be used to offset appropriation requirements of the OR&F account. Funds are not requested for industry assistance grants in the FY 1994 because these activities are not of the same critical nature as those proposed for support in the OR&F account and because direct support for industry development and marketing projects is more appropriately a role of the U.S. fishing industry. No funds are requested for transfer to the Fisheries Promotional Fund because its authorization expired on December 31, 1991.

Exhibit 14

Department of Commerce
National Oceanic and Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
PROGRAM CHANGE PERSONNEL DETAIL

Activity:	Promote And Develop Fisheries Products
Subactivity:	Promote And Develop Fisheries Products
Program Change:	Promote And Develop Fisheries Products

Title:	Grade	Number	Annual Salary	Total Salaries
VARIOUS	VARIOUS	(7)	($294)	($294)
Total		(7)		(294)
Less Lapse		(0)		0
Total Full-Time Permanent		(7)		(294)
1994 Pay Adjustment				0
Total				($294)
Personnel Data				
Full-Time Equivalent Employment				
Full-time permanent		(7)		
Other than full-time permanent		0		
Total		(7)		
Authorized Positions :				
Full-time permanent		(7)		
Other than full-time permanent		0		
Total		(7)		

Exhibit 15

Department of Commerce
National Oceanic and Atmospheric Administration
Promote and Develop Fisheries Products
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Promote and Develop Fisheries Products**
Subactivity: **Promote and Develop Fisheries Products**
Program Change: **Promote and Develop Fisheries Products**

Object class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	(294)
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	(294)
12.1	Civilian personnel benefits	(50)
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	(24)
22	Transportation of things	(5)
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	(7)
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	(17)
31	Equipment	(18)
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	(5,985)
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	(6,400)

Exhibit 16

DEPARTMENT OF COMMERCE
National Oceanic And Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	330	342	294	0	(294)
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	0	0	0	0	0
11.8	Special personnel services payments	0	0	0	0	0
12.9	Total personnel compensation	330	342	294	0	(294)
12.1	Civilian personnel benefits	57	59	50	0	(50)
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of things	38	38	24	0	(24)
22	Transportation of things	6	6	5	0	(5)
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Commun., util., misc. charges	9	9	7	0	(7)
24	Printing and reproduction	0	0	0	0	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	0	0	0	0	0
26	Supplies and materials	17	17	17	0	(17)
31	Equipment	21	21	18	0	(18)
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	6,434	6,951	5,985	0	(5,985)
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	6,912	7,443	6,400	0	(6,400)
	Less prior year recoveries					
	Total Budget Authority	6,912	7,443	6,400	0	(6,400)

Exhibit 16

Department Of Commerce
National Oceanic And Atmospheric Administration
Promote And Develop Fisheries Products And Research Pertaining To American Fisheries
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Personnel Data	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Full-time Equivalent Employment:					
DIRECT:					
Full-time permanent	7	7	7	0	(7)
Other than full-time permanent	0	0	0	0	0
Sub-total, Direct	7	7	7	0	(7)
REIMBURSABLE:					
Full-Time permanent	0	0	0	0	0
TOTAL, Full-time Equivalent Employment	7	7	7	0	(7)
Authorized Positions:					
DIRECT:					
Full-time permanent	7	7	7	0	(7)
Other than full-time permanent	0	0	0	0	0
Sub-total, Direct	7	7	7	0	(7)
REIMBURSABLE:					
Full-time permanent	0	0	0	0	0
TOTAL, Authorized Positions	7	7	7	0	(7)

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
SUMMARY OF RESOURCE REQUIREMENTS

(Dollar amounts in thousands)

Page No.		Positions	Budget Authority	FTE	Direct Obligations
	Amount available for FY 1993 as shown in 1994 President's Budget	4	1,306	4	1,739
	Amount Currently Available, 1993	4	1,306	4	1,739
	Apropriation, 1993	4	1,306	4	1,739
	Less: Obligations from prior years				(433)
	plus: 1994 Adjustments to base		29		29
	1994 Base	4	1,335	4	1,335
	plus: 1994 Program changes				
	1994 Estimate	4	1,335	4	1,335

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Fishing Vessel and Gear Damage	Pos./BA	3	1,281	4	1,306	4	1,335	4	1,335	0	0
Fund	FTE/Obl.	3	1,019	4	1,739	4	1,335	4	1,335	0	0
Direct Obligations	Pos./BA	3	1,281	4	1,306	4	1,335	4	1,335	0	0
	FTE/Obl.	3	1,019	4	1,739	4	1,335	4	1,335	0	0
Adjustments to Obligations											
Recoveries			(4)								
Unobligated balance, start of year			(167)		(433)						
Unobligated balance, end of year											
Unobligated balance, end of year			433								
Unobligated balance, expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											
Appropriation		3	1,281	4	1,306	4	1,335	4	1,335		

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	1,019	1,739	1,335	1,335	
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries	(4)				
Unobligated balance, start of year	(167)	(433)			
Unobligated balance transferred					
Unobligated balance, end of year	433				
Unobligated balance expiring					
Budget Authority	1,281	1,306	1,335	1,335	
Financing:					
Transferred from other accounts					
Transferred to other accounts					
Appropriation	1,281	1,306	1,335	1,335	

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Adjustment:			(5)
Insurance claims and indemnities			34
Total, Adjustment to Base	0	0	29

Exhibit 9

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	AMOUNT
FTE Reduction		
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a savings of ($5,000).		(5)
Other increases		
Insurance claims and Indemnities		34

NOAA requests a 1994 appropriation of $1,335 to pay claims and administrative expenses under the Fishing Vessel and Gear Damage Compensation Fund (FVGDCF). The requested increase of $34,000 is an estimate of the additional funding needed to cover an increase in the size of the claims made. This increase is being driven by the increased cost of fishing gear. Without funding at the requested level NOAA may be unable to meet its statutory obligations.

	FTE	AMOUNT
Total	0	29

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity:	**Fishing Vessel and Gear Damage Compensation Fund**
Subactivity:	**Fishing Vessel and Gear Damage Compensation Fund**

Goal Statement

The goals of this appropriation are: to compensate domestic fishermen and vessel owners who sustain losses or damage to their gear or vessels attributed to foreign or other domestic fishing vessels in the United States Exclusive Economic Zone (EEZ) to provide for timely resolution of claims by vessel owners; and to administer the Fund's resources efficiently and effectively.

Proposed Legislation

No legislation is proposed.

Base Program

Explanation and Justification: The Fishing Vessel and Gear Damage Compensation Fund is authorized by Section 10 of the Fishermen's Protective Act of 1967, as amended (P.L. 95-376 and P.L. 96-561). It compensates U.S. fishermen whose gear or vessel has been lost, or destroyed by foreign or domestic vessels.

Statement of Operating Objectives: NOAA administers the Fund and indemnifies domestic fishermen against the commercially uninsurable lost or damaged of fishing gear or vessels caused by foreign or domestic vessels and a portion of the associated economic loss. The risk of losing or damaging expensive fishing gear or vessels is a major destabilizing factor in some fisheries. Monies paid into this Fund include (1) surcharges not to exceed 20 percent of the fee imposed for any foreign Fishing vessel permit issued under the Magnuson Fishery Conservation and Management Act; (2) administrative fees paid by claimants, (3) revenues from deposits or investments of Fund balances not immediately required, and (4) funds not to exceed $5 million borrowed from the Treasury in the event the Fund balance is insufficient to pay claims

While funded totally by user fees, disbursements can be made only to the extend authorized by appropriation act

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of claims received	138	140	140
Number of claims processed	145	140	140

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fishing Vessel and Gear Damage Compensation Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	91	221	165	165	
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	Total personnel compensation	91	221	165	165	
12.1	Civilian personnel benefits	16	33	26	26	
13	Benefits for former personnel					
21	Travel and transportation of things					
22	Transportation of things					
23.1	Rental payments to GSA					
23.2	Rental payments to others					
23.3	Commun., util., misc. charges					
24	Printing and reproduction					
25.1	Consulting services					
25.2	Other services					
26	Supplies and materials	1	1			
31	Equipment	6	8			
32	Lands and structures					
33	Investments and loans					
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities	906	1,476	1,144	1,144	
43	Interest and dividends					
44	Refunds					
99	**Total Obligations**	1,019	1,739	1,335	1,335	
	Unobligated balanced		(433)			
	Total Budget Authority	1,019	1,306	1,335	1,335	

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Adminbistration
Fishing Vessel and Gear Damage Compensation Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

Personnel Data	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Full-time Equivalent Employment:					
Full-time permanent	3	4	4	4	
Other than full-time permanent					
Total	3	4	4	4	
Authorized Positions:					
Full-time permanent	3	4	4	4	
Other than full-time permanent					
Total	3	4	4	4	

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Appropriation, 1993	1	1,025	1	1,509
less: Obligations from prior years	0	0	0	(484)
plus: 1994 adjustments to base	0	26	0	26
1994 Base	1	1,051	1	1,051
1994 Estimate	1	1,051	1	1,051

		1992 Actuals		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Fishermen's Contingency Fund	Pos/BA	1	1,000	1	1,025	1	1,051	1	1,051	0	0
	FTE/Obl.	1	638	1	1,509	1	1,051	1	1,051	0	0
Direct Obligations	Pos/BA	1	1,000	1	1,025	1	1,051	1	1,051	0	0
	FTE/Obl.	1	638	1	1,509	1	1,051	1	1,051	0	0
Adjustments to Obligations											
Recoveries											
Unobligated Balance, start of year			(122)		(484)						
Unobligated balance transferred											
Unobligated Balance, end of year			484								
Unobligated balance expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											
Appropriation			1,000		1,025		1,051		1,051		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease/ over 1994 Base
Total Obligations	638	1,509	1,051	1,051	0
Offsetting collections from:					
Federal Funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year	(122)	(484)			
Unobligated balance transferred					
Unobligated balance, end of year	484				
Unobligated balance expiring					
Budget Authority	999	1,025	1,051	1,051	0
Financing:					
Transfer from other accounts					
Transfer to other accounts					
Appropriation	999	1,025	1,051	1,051	0

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	Amount
Transfer:			
Adjustment:			
Insurance claims		0	27
1994 Personnel reduction		0	(1)
Financing:			
OTHER CHANGES:			
Total, Adjustment to Base		0	26

Exhibit 9

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustment:		
Based on recent economic assumptions, the cost of insurance claims would increase by $27,000.	0	27
Personnel Reduction		
Pursuant to the Executive Order on Reduction of 100,000 Federal Positons, there will be a savings of $1,000.	0	(1)
		26

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **National Marine Fisheries Service**
Subactivity: **Fishermen's Contingency Fund**

Goal Statement

This fund compensates domestic fishermen for damage or loss of fishing gear due to obstructions related to oil or gas exploration, development, and production on the Outer Continental Shelf (OCS), minimizes financial instability of the fishing industry caused by competing uses of the OCS, and provides for timely resolution of claims by vessel owners.

Proposed Legislation

No legislation is proposed.

Base Program

Title IV of the Outer Continental Shelf Lands Act Amendments of September 18, 1978, (P.L. 95-372, Section 402) as amended, established the Fishermen's Contingency Fund. The Fund is to be used by the Secretary of Commerce to compensate domestic fishermen for the damage or loss of fishing gear, and any resulting economic loss due to natural obstructions or man-made obstructions related to oil and gas exploration, development, and production in any area of the Outer Continental Shelf.

For purposes of administration, the Secretary of Commerce is authorized to establish the Fishermen's Contingency Fund to pay claims and to request assessment by the Secretary of the Interior of the oil and gas industry to capitalize the Fund. Any holder of a lease, exploration permit, easement, or right of way on the Outer Continental Shelf is required to pay to the Secretary of the Interior an amount not to exceed $5,000 per lease, permit, easement, or right of way per calendar year. The Secretary of the Interior will deposit these collections in the Fishermen's Contingency Fund established by the Secretary of Commerce.

Title IV stipulates that amounts available can be disbursed only to the extent provided for by appropriations acts.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Number of claims received	130	130	130
Number of claims processed	110	130	130

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund

SUMMARY OF RESOURCE REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel compensation					
11.1	Full-time permanent	44	54	36	36	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	Total personnel compensation	44	54	36	36	0
12.1	Civilian personnel benefits	10	14	10	10	0
13	Benefits for former personnel					
21	Travel and transportation of persons					
22	Transportation of things					
23.1	Rental payments to GSA					
23.2	Rental payments to others					
23.3	Commun., util., misc charges					
24	Printing and reproduction					
25	Other services					
26	Supplies and materials					
31	Equipment					
32	Lands and structures					
33	Investments and loans					
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities	584	1,441	1,005	1,005	0
43	Interest and dividends					
44	Refunds					
99	**Total Obligations**	638	1,509	1,051	1,051	0
	Less prior year recoveries					
	Total Budget Authority			1,051	1,051	0

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Fishermen's Contingency Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	1	1	1	1	0
Other than full-time permanent					
Total	1	1	1	1	0
Authorized Positions:					
Full-time permanent	1	1	1	1	0
Other than full-time permanent					
Total	1	1	1	1	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligation
Appropriation, 1993	5	565	5	651
less: Obligations from prior years	0	0	0	(86)
plus: 1994 adjustments to base	0	(1)	0	(1)
1994 Base	5	564	5	564
1994 Estimate	5	564	5	564

Comparison by activity:		1992 Actuals Personnel	1992 Actuals Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) over 1994 Base Personnel	Increase/ (Decrease) over 1994 Base Amount
Foreign Fishing Observer Fund	Pos/BA	3	(1,204)	5	565	5	564	5	564	0	0
	FTE/Obl	3	158	5	651	5	564	5	564	0	0
Direct Obligations	Pos/BA	3	(1,204)	5	565	5	564	5	564	0	0
	FTE/Obl	3	158	5	651	5	564	5	564	0	0
Recoveries			(27)								
Unobligated Balance, start of year			(1,420)		(86)						
Unobligated balance transferred											
Unobligated Balance, end of year			86								
Unobligated balance expiring											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts											
Appropriation			(1,204)		565		564		564		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease/ over 1994 Base
Total Obligations	158	651	564	564	0
Offsetting collections from:					
Federal Funds					
Trust funds					
Non-Federal sources					
Recoveries	(27)				
Unobligated balance, start of year	(1,420)	(86)			
Unobligated balance transferred					
Unobligated balance, end of year	86				
Unobligated balance expiring					
Budget Authority	(1,204)	565	564	564	0
Financing:					
Transfer from other accounts					
Transfer to other accounts					
Appropriation	(1,204)	565	564	564	0

Exhibit 8

DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	Amount
Transfer:			
Adjustment:	0	0	14
1994 Personnel reduction	0	0	(3)
1994 Administrative expenses	0	0	(12)
OTHER CHANGES:			
Total, Adjustment to Base	0	0	(1)

Exhibit 9

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Foreign Fishing Observer Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	AMOUNT
Adjustment:		
Based on recent economic assumptions, the cost of admistrative costs would increase by $14,000.		14
Personnel Reduction		
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a savings of $3,000.		(3)
Administrative Expenses		
Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government. There will be be a savings of $12,000 in 1994 for administrative expenses.		(12)
		(1)

Department of Commerce
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity:	**National Marine Fisheries Service**
Subactivity:	**Foreign Fishing Observer Fund**

Goal Statement

The goals of this fund are: to provide 100 percent observer coverage aboard foreign vessels fishing within the United States' Exclusive Economic Zone (EEZ); to increase compliance with fishery regulations and requirements; to support balanced conservation and management measures to achieve and maintain the optimum use of our living marine resources; to collect data to determine foreign compliance with fishery regulations and the status of fish stocks within the EEZ of the United States; and to administer the base and supplemental observer programs in a cost-effective manner.

Proposed Legislation

No legislation is proposed.

Base Program

The Foreign Fishing Observer Fund was authorized by Public Law 96-339, which amended the Atlantic Tunas Convention Act of 1975, and the American Fisheries Promotion Act of 1980, (Public Law 96-561), which amended the Magnuson Fishery Conservation and Management Act (MFCMA). The fund is financed through fees collected from foreign governments with vessels fishing within the exclusive fishery jurisdiction of the United States. The fund is used by NOAA to pay salaries, administrative costs, data editing and entry costs, and other costs incurred in placing observers aboard foreign fishing vessels. This includes long-line vessels fishing in the Atlantic billfish and shark fisheries and other foreign fishing vessels fishing within the EEZ of the United States. Such fishing requires a permit issued under the MFCMA. The observer program is conducted primarily through contracts with the private sector. NOAA places these observers aboard foreign fishing vessels to collect scientific information and to monitor compliance with the fishery management measures. Amounts available in the Fund can be disbursed only to the extent and in amounts provided for in advance in appropriation acts.

Beginning in FY 1985, Congress approved the establishment of a supplemental observer program. The program provided that foreign vessels without Federally-funded observers will be required to obtain the services of private individuals certified by the Secretary of Commerce.

Measures of Performance

	1992 Actual	1993 Estimate	1994 Estimate
Percent observer coverage of foreign fishing within the U.S. EEZ as required by the:			
- Atlantic Tuna Convention Act	100	100	100
- American Fisheries Promotion Act	100	100	100

NOTE: This performance data represents the combined impact of appropriated funds and direct contracting by foreign governments.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
SUMMARY OF RESOURCE REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase (Decrease) over 1994 Base
11	Personnel compensation					
11 1	Full-time permanent	120	145	126	126	0
11.3	Other than full-time permanent					
11 5	Other personnel compensation					
11 8	Special personnel services payments					
11 9	Total personnel compensation	120	145	126	126	0
12 1	Civilian personnel benefits	20	23	20	20	0
13	Benefits for former personnel					
21	Travel and transportation of persons	5	2	2	2	
22	Transportation of things		5	4	4	
23 1	Rental payments to GSA					
23 2	Rental payments to others		1	1	1	
23 3	Commun , util , misc charges					
24	Printing and reproduction	8	437	378	378	
25	Other services					
26	Supplies and materials	5	23	20	20	
31	Equipment		15	13	13	
32	Lands and structures					
33	Investments and loans					
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities					
43	Interest and dividends					
44	Refunds					
99	Total Obligations	158	651	564	564	0
	Less prior year recoveries					
	Total Budget Authority			564	564	0

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Foreign Fishing Observer Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	3	5	5	5	0
Other than full-time permanent					
Total	3	5	5	5	0
Authorized Positions:					
Full-time permanent	3	5	5	5	0
Other than full-time permanent					
Total	3	5	5	5	0

Exhibit 5

Department Of Commerce
National Oceanic And Atmospheric Administration
Coastal Zone Management Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Appropriation, 1993	0	0	0	7,800
1994 Base	0	0	0	7,800
1994 Estimate	0	0	0	7,800

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Coastal Zone	Pos./BA	0	(2,296)	0	0	0	0	0	0	0	0
Management Fund	FTE/Obl.	0	6,000	0	7,800	0	7,800	0	7,800	0	0
Total Obligations	Pos./BA	0	(2,296)	0	0	0	0	0	0	0	0
	FTE/Obl.	0	6,000	0	7,800	0	7,800	0	7,800	0	0
Adjustments to Obligations											
Recoveries		0	(7)	0	0	0	0	0	0	0	0
Unobligated balance, start of year		0	(10,731)	0	(10,738)	0	(10,738)	0	(10,738)	0	0
Unobligated balance, transferred		0	0	0	0	0	0	0	0	0	0
Unobligated balance, end of year		0	13,034	0	10,738	0	10,738	0	10,738	0	0
Unobligated balance, expiring		0	0	0	0	0	0	0	0	0	0
Limitations on Obligations		0	(2,296)								
Financing from offsetting collections											
Federal funds		0	(8,296)	0	(7,800)	0	(7,800)	0	(7,800)	0	0
Trust funds		0	0	0	0	0	0	0	0	0	0
Non-Federal sources		0	0	0	0	0	0	0	0	0	0
Financing from transfers:											
Transfer from other accounts		0	0	0	0	0	0	0	0	0	0
Transfer to other accounts		0	2,296	0	0	0	0	0	0	0	0
Appropriation		0	0	0	0	0	0	0	0	0	0

Exhibit 7

Department Of Commerce
National Oceanic And Atmospheric Administration
Coastal Zone Management Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	6,000	7,800	7,800	7,800	0
Offsetting Collections from:					
Federal funds	(8,296)	(7,800)	(7,800)	(7,800)	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(7)	0	0	0	0
Unobligated balance, start of year	(10,731)	(10,738)	(10,738)	(10,738)	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	13,034	10,738	10,738	10,738	0
Unobligated balance expiring	0	0	0	0	0
Limitation on obligations	(2,296)	0	0	0	0
Budget Authority	(2,296)	0	0	0	0
Financing:	0	0	0	0	0
Transferred from other accounts	0	0	0	0	0
Transferred to other accounts	2,296	0	0	0	0
Appropriation	0	0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Coastal Zone Management Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Coastal Zone Management Fund**
Subactivity: **Coastal Zone Management Fund**

Goal Statement

The Coastal Zone Management Fund (CZMF) was created by the 1990 amendments to the Coastal Zone Management Act. The purposes for which the funds can be used are set forth in Sec. 308 of that Act. In summary, Sec. 308 authorizes the use of the loan repayments from the former Coastal Energy Impact Program (CEIP) for the administrative costs of the Coastal Zone Management Program and if any funds remain, for other purposes as set forth below.

Proposed Legislation

No legislation is proposed.

Base Program

Section 308 of the Coastal Zone Management Act authorizes the CZMF to be used for the following purposes

(1) Expenses incident to the administration of the Coastal Zone Management Act;
(2) Projects to address management issues which are regional in scope, including interstate projects;
(3) Demonstration projects which have high potential for improving coastal zone management, especially at the local level;
(4) Emergency grants to State coastal zone management agencies to address unforseen or disaster-related circumstances;
(5) Appropriate awards recognizing excellence in coastal management;
(6) Program Development Grants; and
(7) To provide financial support to coastal States for use in investigating and applying the public trust doctrine to implement State management programs.

FY 1993 the appropriation language for this fund overrode the provisions of Sec. 308 and instead stipulated that the funds ($7 8 million) were to be used exclusively for the Sec. 306 State Grants program and for program development grants under Sec. 305. The FY 1994 budget assumes that the funds will be used as stated in Sec. 308.

Exhibit 16

Department Of Commerce
National Oceanic And Atmospheric Administration
Coastal Zone Management Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	0	0	0	0	0
11.3	Other than full-time permanent	0	0	0	0	0
11.5	Other personnel compensation	0	0	0	0	0
11.8	Special personnel services payments	0	0	0	0	0
12.9	Total personnel compensation	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13	Benefits for former personnel	0	0	0	0	0
21	Travel and transportation of things	0	0	0	0	0
22	Transportation of things	0	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0	0
23.2	Rental payments to others	0	0	0	0	0
23.3	Commun., util., misc. charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	0
25.1	Consulting services	0	0	0	0	0
25.2	Other services	6,000	7,800	7,800	7,800	0
26	Supplies and materials	0	0	0	0	0
31	Equipment	0	0	0	0	0
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	6,000	7,800	7,800	7,800	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Amount Currently Available, 1993	0	(17,506)	0	567
Apropriation, 1993	0	(17,506)	0	567
less: Obligations from prior years	0	0	0	(567)
less: 1994 adjustment to base	0	16,006	0	0
1994 Base	0	(1,500)	0	0
plus: 1994 Program changes	0	0	0	0
1994 Estimate	0	(1,500)	0	0

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Damage Assessment and	Pos./BA	0	($4,575)	0	($17,506)	0	($1,500)	0	($1,500)	0	0
Restoration Fund	FTE/Obl	0	0	0	567	0	0	0	0	0	0
Direct Obligations	Pos./BA	0	(4,575)	0	(17,506)	0	(1,500)	0	(1,500)	0	0
	FTE/Obl	0	0	0	567	0	0	0	0	0	0
Adjustments to Obligations											
Unobligated balance, start of year			(567)		(7,758)						
Unobligated balance, transferred											
Unobligated balance, end of year			7,758								
Financing from offsetting collections:											
Federal funds			(11,766)		(10,315)		(1,500)		(1,500)		
Financing from transfers:											
Transfer from other accounts			(1,872)								
Transfer to other accounts			6,447		17,506		1,500		1,500		
Appropriation			0		0		0		0		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	0	567	0	0	0
Offsetting Collections from:					
Federal funds	(11,766)	(10,315)	(1,500)	(1,500)	
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year	(567)	(7,758)			
Unobligated balance transferred					
Unobligated balance, end of year	7,758				
Unobligated balance expiring					
Budget Authority	(4,575)	(17,506)	(1,500)	(1,500)	0
Financing:					
Transferred from other accounts	(1,872)				
Transferred to other accounts	6,447	17,506	1,500	1,500	
Appropriation	0	0	0	0	0

Exhibit 8

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
ADJUSTMENT TO BASE
(Dollar amounts in thousands)

	Positions	FTE	AMOUNT
Transfer:			(1,500)
Adjustment:			17,506
Financing:			
Total, Adjustment to Base			16,006

Exhibit 9

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
Damage Assessment and Restoration Revolving Fund
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	AMOUNT
Transfers		
To "Operations, Research & Facilities" $1,500,000 will be transferred as partial offset to Damage Assessment and Restoration Revolving Fund account to conduct natural resource damage assessments and restorations.	0	(1,500)
Adjustments		
Reverse 1993 transfer to ORF	0	17,506

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Damage Assessment and Restoration Revolving Fund
Subactivity: Damage Assessment and Restoration Revolving Fund

Goal Statement

Facilitate the spill response, damage assessment, and natural resource restoration activities of the National Oceanic and Atmospheric Administration.

Proposed Legislation

No legislation proposed.

Base Program

A National Oceanic and Atmospheric Administration (NOAA) Damage Assessment and Restoration Revolving Fund was established, under Section 1012(a) of the Oil Pollution Act of 1990, for deposit of sums provided by any party or governmental entity for response to discharges of oil or releases of hazardous substances, for assessment of damages to NOAA trust resources resulting from those discharges and releases, and for the restoration of the injured natural resources.

Retain, in said revolving trust account, funds that are recovered through settlement or awarded by a court for restoration of injured natural resources, and retain reasonable costs of conducting spill response and damage assessment that are recovered by NOAA through negotiated settlement, court award, or other reimbursement.

Ensure funds so deposited shall remain available to the trustee, without further appropriation, until expended to pay costs associated with response, damage assessment, and restoration of natural resources.

For the purposes of obligation and expenditure, provide for the transfer of sums available in the NOAA Damage Assessment and Restoration Revolving Fund, upon the approval of the Secretary of Commerce or his/her delegate, to the Operations, Research, and Facilities (OR&F) appropriation of the National Oceanic and Atmospheric Administration.

The NOAA Damage Assessment and Restoration Revolving Fund will facilitate and sustain: (1) oil and hazardous materials contingency planning and response, automated spill assessment, and countermeasure capabilities; (2) natural resource damage assessment while the Departments of Commerce and Justice seek full reimbursement from potentially responsible parties; and (3) restoration, replacement or acquisition of the equivalent of injured or lost natural resources, including resources of National Marine Sanctuaries and Estuarine Research Reserves, tidal wetlands and other habitats, for which NOAA is trustee. These program functions are conducted jointly within NOAA by the Office of General Counsel, the National Ocean Service, and the National Marine Fisheries Service.

Hazardous Materials Response Program - As the scientific support coordinator to the U.S. Coast Guard's Federal on-scene coordinator at coastal and marine spills of oil and hazardous materials, NOAA provides critical information on spill trajectory, chemical hazard analyses, and assessments of the sensitivity of marine and estuarine habitats. The program's substantial involvement in response activities related to the EXXON VALDEZ oil spill continues. The program provides similar support to the environmental hazardous waste sites in coastal areas.

Damage Assessment Program - To fulfill its responsibility as a Federal trustee for living natural resources under the Superfund, Clean Water, and Oil Pollution Acts, NOAA conducts comprehensive assessments of damages to trust resources from discharges of oil or releases of hazardous substances in coastal and marine areas. These assessments enable the Federal Government to file claims against the potentially responsible parties. The first such claim was filed in 1983 for damages resulting from PCB contamination in New Bedford Harbor, Massachusetts. The Damage Assessment Center is currently involved in 16 damage assessments in various stages of completion.

Natural Resources Restoration Program - The program uses recovered damages to restore injured resources, monitors the restoration to assess its effectiveness, conducts basic and applied research on restoration methodologies, applies these techniques to restoration of resource habitats, and provides guidance to habitat managers for selecting among restoration approaches.

Measures of Performance

Establish, maintain, and operate a system of financial accounting for said Revolving Fund to ensure status reports of fund activities and conformation to all applicable Federal regulations.

Provide to the Under Secretary for Oceans and Atmosphere an annual summary of deposit, transfer, and withdrawal activities by program area.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	0	0	0	0	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13	Benefits for former personnel	0	0	0	0	
21	Travel and transportation of things	0	0	0	0	0
22	Transportation of things	0	0	0	0	
23.1	Rental payments to GSA	0	0	0	0	
23.2	Rental payments to others	0	0	0	0	
23.3	Commun., util., misc. charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	
25.1	Consulting services	0	0	0	0	
25.2	Other services	0	567	0	0	0
26	Supplies and materials	0	0	0	0	0
31	Equipment	0	0	0	0	
32	Lands and structures	0	0	0	0	
33	Investments and loans	0	0	0	0	
41	Grants, subsidies and contributions	0	0	0	0	
42	Insurance claims and indemnities	0	0	0	0	
43	Interest and dividends	0	0	0	0	
44	Refunds	0	0	0	0	
		0	0	0	0	
99	**Total Obligations**	0	567	0	0	0
	Less prior year recovery		0			
	Total Budget Authority		0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Damage Assessment and Restoration Revolving Fund
SUMMARY OF EXXON VALDEZ SETTLEMENT FUND
(Dollar amounts in thousands)

Appropriation:	**Damage Assessment and Restoration Revolving Fund**
Activity:	Exxon Valdez Restoration Program

	1992 Actual		1993 To Date		1994 Estimate		Increase/ (Decrease) from 1993	
	FTE	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Damage Assessment Program		$1,170		$707		$707		0
Restoration Program		261		1,741		1,741		0
Administration		441		272		272		0
Total	0	1,872	0	2,720	0	2,720	0	0

Exxon Valdez Oil Spill (EVOS) Restoration Program

AUTHORITIES

- Section 207 of the 1992 Dire Emergency Supplemental Appropriations Act and Transfer for Relief from the Effect of Natural Disasters, for Other Urgent Needs, and for Incremental Costs of Operation Desert Shield/Desert Storm Act of 1992, P.L. 102-229 (12/12/91);
- Section 311(f) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321 (f);
- Memorandum of agreement and Consent Decree (MOA) approved and entered on August 28, 1991, in United States v. State of Alaska, No. A91-081 CV, and the Agreement and Consent Decree (Consent Decree) approved and entered on October 8, 1991, in United States v. Exxon Corporation, et al., No. A91-082CV and State of Alaska v. Exxon Corporation, et al., No. A91-083; and
- Plea Agreement in United States v. Exxon Corporation, et al., No. A90-015-1CR & 2CR.

BACKGROUND. The United States and the State of Alaska settled criminal and civil claims against Exxon et. al., in October 1991 for natural resource damages caused by the Exxon Valdez oil spill in March 1989. The first Exxon civil settlement payment was received by the Registry of the Court in December 1991. Funds provided by the agreements will be used to restore the environment of Prince William Sound, lower Cook Inlet and the western Gulf of Alaska.

The Civil Settlement is controlled by the provisions of the August MOA and Consent Decree between the United States and the State of Alaska (Alaska). Except for certain reimbursements of past costs for both governments and credits to Exxon, as provided by the MOA, all natural resource damage recoveries from Exxon must be placed in a Joint Trust Fund established in the Registry of the U.S. District Court for Alaska and used for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources injured as a result of the oil spill and the reduced or lost services provided by such resources. This Trust Fund is managed jointly by the two governments, through the EVOS Trustee Council in Alaska.

The Criminal Plea Agreement (Restitution) totaled $125 million in fines and restitution, of which $100 million is designated as restitution for restoration projects, within Alaska, relating to the EVOS. Fifty million dollars was distributed to the Federal Government's Natural Resources Damage Assessement and Restoration (NRDA&R) Fund within the Department of the Interior where it continues to earn interest. In accordance with the MOA, the $50 million received by both the Federal and Alaska Governments will be managed separately. Of the $25 million criminal fine, $12 million was deposited into the North American Wetlands Conservation Fund and $13 million was deposited into the Victims of Crimes Fund.

FEDERAL/STATE OF ALASKA JOINT TRUST FUNDS

ACTIVITY: DAMAGE ASSESSMENTS

In FY 1992 these projects were limited to two categories of projects necessary to support the restoration process. First, the Trustee Council focused on 35 projects involving the close-out of damage assessment activities for which no further field work was needed and (2) the continuation of six damage assessment projects required to support the close-out activities or to understand more fully the level of injuries. Damage assessment information provides the basis for identifying restoration activities that are linked to injured resources and services and to fully understand the extent of those injuries. Some specific projects of these types include:

Damage Assessment Close-out
- Humpback Whales assessment close-out
- Killer Whales assessment close-out
- Sediment Data Synthesis assessment close-out

Damage Assessment Continuation
- Hydrocarbon analysis
- Oiled Mussel Beds

ACTIVITY: RESTORATION

An important factor relating to the Trustee Council's consideration of projects proposed for FY1992 and FY1993 was the recognition that the Council would be unable to have an approved final EVOS Restoration Plan in place prior to comment and approval by the public and Trustees, respectively of those projects. In FY1992 restoration projects were limited to activities that were deemed essential and for which delay would likely be harmful to a specific resource. Restoration projects conducted in FY1992 will provide information necessary to support future decisions about restoration options. The Trustee Council's intent was to limit funded projects to those that (1) were time critical, in that delay would lead to further injury to a resource or service; (2) required no long term commitment of funds; and (3) linked injury to species with population level effects. Some specific projects of this type include:

- Monitoring the natural recovery of murres (most heavily impacted marine bird);

- Monitoring pink salmon egg and fry survival in the heavily impacted intertidal area; and

- Collecting additional upland habitat information about marbled murrelets, harlequin ducks and anadromous fish streams on private lands where that information is needed to support future habitat protection decisions.

Monitoring of injured resources and services will continue as a component of the Restoration Plan.

The Restoration subactivity also includes in FY1993, roughly $30 million for interim imminent threat (emergency) habitat protection, approximately $15 million each for both governments. The only specific areas which have been approved for acquisition by the Trustee Council to date are inholdings within Kachemak Bay State Park, by the State for $7.5 million. Other projects, amounts and lead agencies will be determined following imminent threat analysis by the Trustee Council.

ACTIVITY: ADMINISTRATION/PROGRAM MANAGEMENT

The Administration subactivity includes expenses connected with the Trustee Council's Administrative Director's Office, the Restoration Team and its ten, mostly ad-hoc, working groups, the Financial Committee, the Public Advisory Group, public meetings, the Chief Scientist, and peer review. These costs are necessary to support the EVOS Restoration Program and are expected to remain approximately the same for FY1994

FY1992 and FY1993 ACCOMPLISHMENTS TO DATE

Organization. The Trustees, through the six Trustee Council representatives completed the major portion of the organizational structure for decision-making purposes in January 1992, when they adopted a set of operating procedures, created a Restoration Team and appointed an acting Administrative Director. Subsequently the Council approved the formation of the following work groups, which are comprised of agency staffs, to perform key activities necessary to support the Council's decision making:

- Restoration Planning
- FY1992 Work Plan
- FY1993 Work Plan
- FY1994 Work Plan
- Environmental Compliance
- Public Participation
- Cultural Resources
- Process
- Habitat Protection
- Geographic Info Systems

In addition, the Council also established a Finance Committee. With the exception of the Finance Committee, which reports directly to the Council, these work groups report to the Restoration Team (RT).

FY1992 Work Plan and Budget. Work began on the EVOS Restoration Program under the FY1992 Work Plan on March 1, 1992, prior to the advent of the 1992 "field season," which is generally the period between May and September when field work in Alaska can be conducted in snow-free conditions. The 1992 fiscal year is a partial one, with the first Joint Fund monies for the Restoration Program being disbursed from the Court for the period from March 1, 1992 through September 30, 1992.

FY1993 Work Plan and Budget. The Trustee Council has approved a budget for the period October 1, 1992 through February 28, 1993, totaling $6,687,900, of which $3,113,900 is for the Federal agencies having the lead on specified EVOS projects. These funds were disbursed from the Joint

Fund by the Court on January 22, 1993. The balance of the FY1993 budget, March 1, 1993 through September 30, 1993, was provided to the public in summary form for comment from October 20 through November 20, 1992. The Public Advisory Group met on January 6 and 7, 1993 to develop recommendations to the Council on the proposed budget. It is anticipated that the court will disburse this FY1993 balance, totaling $21,508,000 in March 1993, of which $5,359,100 is for the Federal Trustees, will be disbursed. The $15,748,900 State portion contains $7.5 million for the acquisition of inholdings in Kachemak Bay State Park. It is also planned to request an additional disbursement from the Court of approximately $12 million later in FY1993 for further land acquisition.

Work Plan and Budget. While the process of formulating, presenting and reviewing the EVOS work plans and budgets is still evolving, a summary of the FY1994 Work Plan development schedule follows:

- **December 1992**--Development of draft assumptions for the 1994 Work Plan (Plan) by the Restoration Team (RT);

- **January 1993**--Formulation of framework for Plan based upon RT, Chief Scientist, peer reviewers and Restoration Plan Work Group (RPWG) review of status of recovery, draft assumptions, draft restoration plan documents, FY1992 and FY1993 projects ideas and input from Public Advisory Group (PAG) and others; and RT issues framework Plan preparation instructions to the 1994 Work Plan Work Group (1994 WPWG);

- **February 1993**--1994 WPWG prepares Draft Framework for Plan; and RT reviews and instructs 1994 WPWG to revise as necessary;

- **March 1993**--Framework for Plan sent to Trustee Council (TC); TC and RT review; and project description/budget instructions sent to Trustee agencies and Finance Committee (FC)

April 1993--Brief project descriptions and detailed budgets received; review by legal counsel, RT, FC and Environmental Compliance Work Group (determines need for NEPA compliance); and reviews incorporated into a Draft Plan by the 1994 WPWG through the RT;

- **May 1993**--The Administrative Director (AD) sends the Draft Plan to the public, TC and PAG;

- **July 1993**--Public review and comments compiled and provided to the TC and PAG by the RT;

- **August 1993**--PAG reviews Draft Plan and provides recommendations to the TC; TC reviews and approves final 1994 Work Plan; review by Federal Trustees and OMB in Washington; RT and FC advises the Department of Justice and the Alaska Department of Law on preparation of the Court request for funds; and funds are requested from the Court.

- **September 1993**--Federal funds are disbursed by the Court to the Natural Resource Damage Assessment and Restoration Fund; and

- **October 1993**--Transfer of funds by the FWS from the NRDA&R Fund to the appropriate Federal Trustee agencies having the lead for specific projects.

Quarterly reports and final end of fiscal year reports are required on all projects in accordance with the EVOS Financial Operating procedures.

FY1994 Work Plan and Budget. The EVOS Finance Committee has preliminarily estimated spending in FY1994 at a level of $47.4 million including $22 millor for federal purposes, and $25.4 million for the state of Alaska. A precise Work Plan is now being developed through the process described above. It is the intent, starting in FY1994, that a single budget will be developed for the entire Federal fiscal year. Due to the timing under which the restoration projects are currently developed, the FY1994 project list is not yet available. The FY1994 Draft Work Plan is scheduled to be released to the public for comment in May 1993. As soon as the Draft Work Plan is released it will be forwarded to the Congressional Appropriations Committees. The comprehensive Draft Restoration Plan for the restoration of resources and services which were injured by the EVOS and the FY1994 Draft Work Plan will be closely coordinated.

Financial Operating Procedures (FOP). The Trustee Council adopted the FOP in September 1992 with the objective of ensuring public trust and accountability while maximizing the Trustees' ability to use settlement funds for approved restoration activities. The procedures outline a method to prepare an annual budget, provide guidelines for calculating administrative costs for projects by the Trustee agencies, provide procedures for the transfer of joint funds from the Court, and provide for accounting and audits in accordance with established Federal and State procedures.

Public Participation. Public participation in the EVOS restoration planning process includes open meetings of the Trustee Council; broadcast throughout the spill area by the State's telecommunications network; public access to information through public libraries: formal planning documents requiring public review and specifically planned community meetings; workshops; the Public Advisory group; and the February 1993 Oil Spill Symposium. All Trustee Council meetings are in compliance with the State of Alaska's open meetings law and all Trustee Council meetings are teleconferenced to 10 or more locations.

The MOA requires the Trustees to establish procedures for meaningful public participation in the injury assessment and restoration processes, including the establishment of a Public Advisory Group (PAG) in accordance with the Federal Advisory Committee Act. The PAG advises the Trustees with respect to, among other things all decisions relating to injury assessment, restoration activities, or other use of the natural resource damage recoveries obtained by the governments, including all decisions regarding planning, evaluation and allocation of available funds.

In September 1992, a 19-member (including two non-voting ex officio members designated by the Alaska Legislature) PAG was formed. The following interests are represented:

- Aquaculture
- Commercial Fishing
- Commercial Tourism
- Conservation
- Environmental
- Forest Products
- Local Government
- Native Landowners
- Recreation Users
- Sport Fishing/Hunting
- Science/Academic
- Subsistence
- Public at large (5 members)
- Ex Officio (2 members)

Restoration Plan. In April 1992, the Trustee Council released for public comment the Restoration Framework document, which outlines overall restoration options and served as an initial scoping document for the environmental impact statement to be prepared in connection with the draft and final Restoration Plan. This was the first step in the preparation of a Restoration Plan.

With substantial public interest in the acquisition of land and timber rights and other habitat protection measures, as well as the Council's recognition that habitat acquisition is a necessary component of restoration, the Council is devoting considerable effort to evaluating existing habitat information, gathering new information where it is needed and devising procedures to evaluate the proposed opportunities to ensure that funds available for habitat acquisition are used effectively and prudently.

Virtually all privately owned lands within the oil spill affected area have been suggested in some manner for acquisition using settlement funds. It is neither possible, nor appropriate until a Restoration Plan has been adopted, for the Trustee Council to attempt to acquire such a large volume of land. The Council has undertaken a process to determine which of the lands will contribute most to the restoration program. The Council has been unable to complete this process because it lacks two types of critical information.

First, the extent of injuries to certain species and the prospects for natural recovery are not yet fully known. Second, little historical data exists concerning the habitat requirements of several of the injured species. In order to work within these constraints, the Council issued the July 1992, Restoration Framework Supplement which set forth a proposed habitat protection and acquisition process which identified and sought to protect strategic lands and habitats. The Supplement set forth a procedure to evaluate habitat identified as potentially subject to an "imminent threat" for which some "emergency" action by the Council may be necessary.

A number of projects were included by the Council in the FY 1993 work plan to assist their efforts in this area of habitat protection. For example, one project which the Council, approved on September 14, 1992, was a contract with the Nature Conservancy to conduct a series of "workshops" in November 1992 to further refine and document the state-of-knowledge of habitat requirements and degree of recovery for resources injured by the oil spill. In addition $20 million was included in the FY 1993 draft Work Plan for protection of imminently threatened habitat. Additional monies in the Joint Fund and a portion of the Federal restitution funds are also available for this effort, if necessary.

Before implementing on-the-ground restoration projects, including habitat acquisition, a final Restoration Plan must be approved and appropriate environmental compliance, including an environmental impact statement on the Restoration Plan, must be completed. For example, even where imminent threat or emergency actions are necessary, the NEPA process must be maintained. The Trustee Council commenced a review of draft restoration alternatives, which include natural recovery, habitat protection, limited restoration, moderate restoration and comprehensive restoration. The Key Elements and Alternative Information Package are scheduled to be released to the public at large and the PAG in March for review. The Draft Restoration Plan and Draft Environmental Impact Statement are scheduled for release in June 1993. Following the incorporation of public comments, it is currently anticipated that a Final Restoration Plan and Final Environmental Impact Statement will be completed by the end of 1993.

PERFORMANCE INDICATORS AND RESULTS:

	Status of Federal Projects		
	FY92	FY93	FY94
No. of Projects Approved	10	13	*
No. of Annual Reports Due	0	3	6
No. of Final Reports Due	0	8	2

*Too early to estimate.

An approved "Summary of Results of Injury Assessment Studies Done After the Exxon Valdez Oil Spill" is being developed for inclusion in future budgets. This summary is expected to be approved by the Trustee Council by April 1993. Once it is approved and published it will be forwarded to the Congressional appropriations Committees. The summary will include the Resource and Service, which are listed below; a description of the injury; its status of recovery in 1992 (recovering, stable, continuing decline, unknown, etc.); the geographic extent of the injury; and pertinent comments and discussion.

Resource and Service

o Marine Mammals
Harbor Seals, Humpback Whales, Killer Whales, Sea Lions and Sea Otters

o Terrestrial Mammals
Black Bear, Brown Bear, River Otters, and Sitka Black-tailed Deer

- Birds
  Bald Eagles, Black-legged Kittiwakes, Black Oyster-catchers, Common Murres, Glaucous-winged Gulls, Harlequin Ducks, Marbled Murrelets, Peale's Peregrine Falcons, Pigeon Guillemots, Storm Petrels, Other Seabirds, Other Sea Ducks, Other Shorebirds and Other Birds

- Fish
  Cutthroat Trout, Dolly Varden, Pacific Herring, Pink Salmon, Rockfish and Sockeye Salmon

- Shellfish
  Clam, Crab (Dungeness), Oyster, Sea Urchin and Shrimp

- Intertidal/Subtidal Communities
  Intertidal/Organisms/Communities, Subtidal

- Other Resources
  Air, Sediments, Water and Archaeologic Sites/Artifacts

- Services
  Wilderness, Recreation and Tourism, Sport and Commercial Fishing and Subsistence

MAJOR CONCERNS

A large proportion of the public commentary have supported the commitment of settlement funds to habitat protection, primarily land acquisition. As currently proposed, draft restoration plan alternatives include those to provide between 45 and 95 percent of remaining settlement funds for habitat protection.

Many members of the academic and scientific community are also calling for funds to be spent on scientific studies that will help promote a better understanding of the mechanism of injury and recovery of oiled resources and to more precisely determine the impacts on natural resources and services. Uncertainties exist regarding the extent and level of injuries because of the lack of available baseline (prespill) information; difficulties in separating natural differences and oil-spill differences; the role of natural variability in producing observed results; and difficulties in separating management-induced changes and oil-spill related changes.

FEDERAL RESTITUTION FUNDS

The $50 million paid to the Federal Government in restitution must be used by the U.S. exclusively for restoration projects, within the State of Alaska, relating to the Exxon Valdez oil spill. Restoration is defined by the Plea Agreement to include restoration, replacement, and enhancement of affected natural resources; acquisition of equivalent resources and services; and long term environmental monitoring and research programs directed to the prevention, containment, cleanup, and amelioration of oil spills.

The U.S. and Alaska have agreed to separately manage these restitution funds, although coordination between the governments and the Trustee Council's use of the Joint Funds is expected. To date no restitution funds have been expended. The Federal Trustees have assigned the Federal Trustee Council members the task of establishing appropriate procedures for the development of emergency budgets for restoration projects from Federal restitution funds. Drafts of the EVOS Federal Restitution Funds, Guidelines and Procedures and EVOS Federal Restitution Funds, Suggested Projects for FY 1993 (and thereafter) are expected to be sent out for public comment shortly. Federal Trustee Council members are exploring the use of these funds within the general context of the overall restoration plan being developed by the Trustee Council.. The Federal Trustees will, however, seek public comment regarding expenditure of the Federal portion of the restitution funds, including for restoration projects of an emergency nature which would precede adoption of the Restoration Plan. In accordance with section 207 of the "...dire emergency supplemental..." Public Law 102-229, the Federal restitution funds have been deposited in the Natural Resource Damage Assessment and Restoration Fund and have earned approximately $1.2 million in interest through FY 1992.

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Federal Ship Financing Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	Positions	Budget Authority	FTE	Direct Obligations
Appropriation, 1993	0	0	0	11,787
less: Obligations from prior years	0	0	0	(11,787)
1994 Base	0	0	0	0
1994 Estimate	0	0	0	0

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Federal Ship Financing Fund	Pos./BA	0	($4,354)	0	$0	0	$0	0	$0	0	$0
	FTE/Obl	0	1,814	0	11,787	0	0	0	0	0	0
Direct Obligations	Pos./BA	0	(4,354)	0	0	0	0	0	0	0	0
	FTE/Obl	0	1,814	0	11,787	0	0	0	0	0	0
Adjustments to Obligations											
Recoveries											
Unobligated balance, start of year			(2,921)		(4,287)						
Unobligated balance, transferred			(4,354)								
Unobligated balance, end of year			4,287								
Unobligated balance, expiring											
Portion applied to debt reduction			4354								
Financing from offsetting collections:											
Federal funds			(7,534)		(7,500)						
Trust funds											
Non-federal sources											
Financing from transfers:											
Transfer from other accounts											
Transfer to other accounts			4,354								
Appropriation			0		0		0		0		0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Federal Ship Financing Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	1,814	11,787	0	0	0
Offsetting Collections from:					
Federal funds	(7,534)	(7,500)			
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year	(2,921)	(4,287)			
Unobligated balance transferred	(4,354)				
Unobligated balance, end of year	4,287				
Unobligated balance expiring					
Portion applied to debt reduction	4,354				
Budget Authority	(4,354)	0	0	0	0
Financing:					
Transferred from other accounts	4,354				
Transferred to other accounts					
Appropriation	0	0	0	0	0

Department of Commerce
National Oceanic and Atmospheric Administration
Federal Ship Financing Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: **Federal Ship Financing Fund**
Subactivity: **Federal Ship Financing Fund**

Goal Statement

Proposed Legislation

No legislation is proposed.

Base Program

1992

For Federal Ship Financing Fund provides Federal guarantees on loans for the construction and refurbishing of fishing vessels and shoreside processing facilities. Guarantee fees are charged to program participants, which provides the operating capital for the Fund. Beginning in FY 1992, under the Credit Reform Act of 1990, the Federal Ship Financing Fund became a liquidating account for loan guarantees made prior to October 1, 1991. Any new loan guarantees made on or after October 1, 1991 (FY 1992) will be made under the Fishing Vessel Obligations Guarantees Program account (FVOG). In FY 1992 the FVOG had a loan guarantee ceiling of $24,000,000.

1993

The Federal Ship Financing Fund will continue managing the loan guarantee portfolio that existed prior to FY 1992.

1994

The Federal Ship Financing Fund will continue managing the loan guarantee portfolio that existed prior to FY 1992.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Federal Ship Financing Fund

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent	0	0	0	0	0
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	**Total personnel compensation**	0	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0	0
13	Benefits for former personnel					
21	Travel and transportation of things	0	0	0	0	0
22	Transportation of things	0	0	0	0	
23.1	Rental payments to GSA		0	0	0	
23.2	Rental payments to others					
23.3	Commun., util., misc. charges	0	0	0	0	0
24	Printing and reproduction	0	0	0	0	
25.1	Consulting services					
25.2	Other services	0	0	0	0	0
26	Supplies and materials	0	0	0	0	0
31	Equipment		0	0	0	
32	Lands and structures					
33	Investments and loans	1,027	7,280			
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities					
43	Interest and dividends	787	4,507	0	0	
44	Refunds					
99	**Total Obligations**	1,814	11,787	0	0	0
	Less prior year recovery		0			
	Total Budget Authority		0	0	0	0

Exhibit 5

Department of Commerce
National Oceanic and Atmospheric Administration
Aviation Weather Services Program Trust Fund
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Comparison by activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Aviation Weather Services Program Trust Fund	Pos./BA	0	$35,389	0	$0	0	$0	0	$0	0	0
	FTE/Obl.	0	35,389	0	0	0	0	0	0	0	0
Direct Obligations/Appropriation	Pos./BA	0	35,389	0	0	0	0	0	0	0	0
	FTE/Obl.	0	35,389	0	0	0	0	0	0	0	0

Exhibit 7

Department of Commerce
National Oceanic and Atmospheric Administration
Aviation Weather Services Program Trust Fund
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease over 1994 Base
Total Obligations	35,389				
Offsetting Collections from:					
Federal funds					
Trust funds					
Non-Federal sources					
Recoveries					
Unobligated balance, start of year					
Unobligated balance transferred					
Unobligated balance, end of year					
Unobligated balance expiring					
Budget Authority	35,389				
Financing:					
Transferred from other accounts					
Transferred to other accounts					
Appropriation	35,389				

Department of Commerce
National Oceanic and Atmospheric Administration
Aviation Weather Services Program Trust Fund
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity:	**Aviation Weather Services Program Trust Fund**
Subactivity:	**Aviation Weather Services Program Trust Fund**

Goal Statement

See NOAA National Weather Service.

Proposed Legislation

No legislation is proposed.

Base Program

In 1993 direct appropriations were provided to the National Weather Service Local Warnings and Forecast to fund meteorological observations, forecasts, warnings, and advisories in support of the National Airspace System. Prior to 1993, the above services were provided in the Aviation Weather Services Program Trust Fund.

Exhibit 16

Department of Commerce
National Oceanic and Atmospheric Administration
Aviation Weather Services Program Trust Fund
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
11	Personnel Compensation					
11.1	Full-time permanent					
11.3	Other than full-time permanent					
11.5	Other personnel compensation					
11.8	Special personnel services payments					
11.9	Total personnel compensation					
12.1	Civilian personnel benefits					
13	Benefits for former personnel					
21	Travel and transportation of things					
22	Transportation of things					
23.1	Rental payments to GSA					
23.2	Rental payments to others					
23.3	Commun., util., misc. charges					
24	Printing and reproduction					
25.1	Consulting services					
25.2	Other services	35,389				
26	Supplies and materials					
31	Equipment					
32	Lands and structures					
33	Investments and loans					
41	Grants, subsidies and contributions					
42	Insurance claims and indemnities					
43	Interest and dividends					
44	Refunds					
99	**Total Obligations/Appropriation**	35,389				

Mr. SMITH. Here today to testify on behalf of this request is the Acting Undersecretary of Commerce for Oceans and Atmosphere, Diana Josephson. We will insert your biographical sketch into the record at this point, and you may proceed with your statement.

[The biographical sketch of Ms. Josephson follows:]

BIOGRAPHY OF DIANA H. JOSEPHSON, DEPARTMENT OF COMMERCE, NOAA DEPUTY UNDER SECRETARY FOR OCEANS AND ATMOSPHERE

During her 25 years of executive leadership experience, Diana H. Josephson has gained extensive knowledge and understanding of, and capability to manage, NOAA's past, present and future programs.

As NOAA deputy assistant administrator for policy and planning from 1978 through 1979, Josephson advised the NOAA administrator on a wide variety of domestic and international programs in such areas as oceanic and atmospheric research, weather services, deep sea-bed mining, ocean thermal energy, satellites, fisheries, and the future of NOAA's research fleet.

Josephson gained specific knowledge of NOAA's National Environmental Satellite Data and Information Services and National Weather Service as NOAA's acting deputy assistant administrator for satellites in the early 1980s, during which time she managed NOAA's two weather satellite systems and implemented the operational Landsat D system.

Josephson has consistently received outstanding performance ratings and service awards, including the Department of Commerce's Gold Medal for Exceptional Service in October 1981.

Josephson most recently served as Martin Marietta Corporation's Director for Mission to Planet Earth Studies. Previously, she was responsible for all Martin Marietta business development activities with respect to civil Earth-orbiting spacecraft, NASA and NOAA ground systems and communications, NOAA's meteorological satellites, and other programs at NASA's Goddard Space Flight Center.

From 1982 through 1989, Josephson developed her astronautics expertise through active roles in national and international commercial space services development and negotiations. She worked in a variety of positions with Martin Marietta Commercial Titan, Inc., Arianespace, Inc., Space America, Inc., and American Science and Technology Corporation.

Josephson has served on various space advisory committees, boards and councils. Member of the District of Columbia Bar and the Bar of England and Wales, Josephson, a native of London, England, received her B.A. and M.A. from Oxford University, and studied law at George Washington University Law School, Washington, D.C.

Mr. SMITH. First, let me ask you before you start, what is the situation with regard to the Secretary?

Ms. JOSEPHSON. The Under Secretary?

Mr. SMITH. Yes.

Ms. JOSEPHSON. His nomination was sent up Monday a week ago, to the Senate and we are awaiting the scheduling of a hearing.

Mr. SMITH. They haven't been scheduled yet?

Ms. JOSEPHSON. No, not yet. Deputy Secretary Rollwagen's confirmation hearing is scheduled tomorrow, so we are hoping that next week or maybe the week following, Jim Baker will have his confirmation hearing.

Mr. SMITH. Okay. Go ahead.

OPENING STATEMENT

Ms. JOSEPHSON. Thank you. Mr. Chairman and members of the subcommittee, I am pleased to appear before you today in support of the President's fiscal year 1994 request. Accompanying me is Andrew Moxam, Comptroller of NOAA.

The total NOAA request for fiscal year 1994 is $1.92 billion. Of that total, $1.76 billion are in the Operations, Research and Facilities, the so-called ORF appropriation; $79.1 million are in the construction appropriation; $23.1 million are in the fleet modernization and ship conversion appropriation; and $2.95 million are requested for fisheries funds.

The National Oceanic and Atmospheric Administration's fiscal year 1994 budget request ensures that the agency continues to meet the urgent environmental needs of the 1990s, as embodied in four broad priorities:

First, to continue modernization of the Nation's weather services, an investment increase of $217.4 million; second, to maintain critical operations in fisheries, ocean and coastal management, oceanic and atmospheric research, weather services and other core NOAA activities, for a request of $46.5 million; third, to invest in global change research and high performance computing, investment increases totaling $25.6 million; and fourth, to implement administrative savings and reductions, with decreases totaling $92.5 million.

Weather service modernization is a high priority of the administration. Modernization has already provided a substantial measure of additional safety to our Nation's citizens, in terms of lives saved and damages averted. NOAA's weather research has also led to significant improvements in our ability to forecast the strength and track of hurricanes. The accurate predictions allowed the Nation to prepare for Hurricanes Andrew, Hugo and Iniki, substantially reducing the loss of human life. Recently NOAA predicted the timing and severity of the East Coast "Storm of the Century" days in advance.

The fiscal year 1994 request contains an investment increase of $217.4 million that allows NOAA to proceed with the following components. First of all, modernization and associated restructuring demonstration and implementation; second, the Next Generation Weather Radar; third, Weather Forecast Office construction; fourth, Advanced Weather Interactive Processing System; fifth, the Central Computer Facility upgrade; six, Automated Surface Observing Systems; seven Geostationary Operational Environmental Satellites; and eight, the Polar–Orbiting System.

NOAA's agenda for the 1990s includes stewardship for the Nation's natural and living marine resources. This work, including research to develop science-based policy options, cannot be undertaken without proper funding. An increase of $46.5 million is needed to maintain critical ongoing operations in fisheries, ocean services and other programs, including weather and satellite services.

The National Marine Fisheries Service requires $11.9 million in fiscal year 1994 to maintain essential ongoing operations and avoid significant downsizing, involving over 270 employees and the closure of a number of NMFS facilities.

Program increases of $3.5 million in the fiscal year 1994 budget request for the National Ocean Service are essential for maintaining staffing and current operations. Without these funds, NOS would have to cut back drastically on several services, including geodetic activities and the operation and maintenance of tide gauges.

Increased funding in Oceanic and Atmospheric Research of $7.7 million will be used to maintain the Global Greenhouse Gas Measurements Program and address scientific issues associated with the Clean Air Act amendments of 1990.

In addition, full funding of $145 million should be provided for program support or the administrative services supporting all NOAA line offices such as procurement, personnel and grants administration may be affected.

The request in Global Change Research and High Performance Computing increases totaling $25.6 million are another NOAA priority. The fiscal year 1994 request includes an increase of $23 million for NOAA's Climate and Global Change Program, part of the cross-cutting U.S. Global Change Research Program. The funding would provide for NOAA participation in USGCRP and support for an International Research Institute for Climate Prediction, a commitment that the United States made at the United Nations Conference on Environment and Development.

The fiscal year 1994 request includes $2.6 million for the FCCSET program in High Performance Computing and Communications, which would make possible major improvements in the Nation's ability to forecast weather and predict climate change, as well as stimulate gains in U.S. industrial competitiveness.

I want to emphasize that for the first time in 12 years level constant funding for the Sea Grant Program and the Coastal Zone Management Program has been requested. The funding request for these two important programs, $39.8 million for Sea Grant and $33.5 million for CZM translates into a bipartisan gain for many States, as well as assurance that these activities will continue.

Also, more States and territories are expected to participate in the CZM program in fiscal year 1994. For the first time, the National Undersea Research Program is also part of the President's budget request. Funding of $2 million is being proposed to continue core work undertaken with ALVIN submersible and deep diving facilities, research in diving safety and technology development.

NOAA requests $23 million for the Fleet Modernization Program, a decrease of $4.5 million for the fiscal year 1994 base. Fleet modernization continues through fiscal year 1994 with the performance of critical and routine maintenance, the identification of detailed repair and construction requirements, the preparation of design and technical specifications, the transfer of and testing of two nearly new surplus Navy ships, and the conversion of one of those ships to support oceanographic research, and the performance of repairs to extend the surface life of one NOAA ship.

NOAA has assumed its share of the responsibility for deficit reduction by proposing administrative and personnel savings. As part of the President's commitment to cut the cost of Federal Government and the size of the work force, NOAA will achieve savings of $25.6 million in fiscal year 1994. In order for NOAA to deliver more focused service, the fiscal year 1994 budget includes $66.9 million in program decreases for programs that are inappropriate for the Federal Government to undertake, benefit only small groups, are not NOAA's statutory responsibilities, are one-time expenditures whose purpose has been achieved or are lower priority activities. Support for NOAA's basic program is essential.

For instance, in fiscal year 1994, the NMFS' budget request contrasts dramatically from previous budget proposals with proposed reductions of up to 60 percent of base NMFS programs. The particular program cuts proposed by the administration for fiscal year

1994 are intended to minimize any adverse effects on our ability to fulfill our responsibilities.

This is NOAA's package. Our priorities evidence what NOAA offers the Nation and how the agency can fulfill President Clinton's goals of a sound economy and exemplary service.

Mr. Chairman, thank you for giving me the opportunity to present NOAA's fiscal year 1994 budget request. I will be happy to answer any questions the subcommittee may have.

[The prepared statement of Ms. Josephson follows:]

Statement by the Deputy Under Secretary
for Oceans and Atmosphere
U.S. Department of Commerce
Diana H. Josephson
Before the House Appropriations Subcommittee on
Commerce, Justice, State and the Judiciary
April 27, 1993

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you today in support of the President's FY 1994 Request. Accompanying me is Andrew Moxam, Comptroller of NOAA.

The total NOAA request for FY 1994 is $1.92 billion. Of the total, $1.76 billion are in the Operations, Research and Facilities (OR&F) appropriation, $79.1 million are in the Construction appropriation, $23.1 million are in the Fleet Modernization and Ship Conversion appropriation, and $2.95 million are requested for fisheries funds. The budget includes a total transfer of $62.9 million from the Promote and Develop American Fisheries account and the Damage Assessment and Restoration Revolving Fund as offsets to the OR&F account.

The National Oceanic and Atmospheric Administration's FY 1994 budget request ensures that the agency continues to meet the urgent environmental needs of the 1990s, as embodied in four broad priorities:

- First, to continue modernization of the Nation's weather services -- an investment increase of $217.4 million;
- Second, to maintain critical operations in fisheries, ocean and coastal management, oceanic and atmospheric research, weather services, and other core NOAA activities -- $46.5 million;
- Third, to invest in global change research and high performance computing -- investment increases totalling $25.6 million;
- Fourth, to implement administrative savings and reductions -- decreases totalling $92.5 million.

NOAA's priorities are critical activities that serve the Nation and support the Administration's goals. As articulated in Vision of Change for America, "The Administration's initiatives offer certain proof that environmental protection and economic growth can -- and must -- go hand in hand."

National Weather Service Modernization and Systems Funding

Weather service modernization (satellites, observing systems, workforce transition, and construction of Weather Forecast Offices) is a high priority of the Administration. Modernization has already provided a substantial measure of additional safety to our Nation's citizens, in terms of lives saved and damages averted. NOAA's weather research has also lead to significant improvements in our ability to forecast the strength and track of hurricanes. Accurate predictions allowed the Nation to prepare for Hurricanes Andrew, Hugo, and Iniki, reducing the potential loss of human life. Recently, NOAA predicted the timing and severity of the East Coast "Storm of the Century" days in advance.

The FY 1994 request of $673.1 million for the National Weather Service (NWS) and $429.2 million for the National Environmental Satellite, Data and Information Service allows NOAA to continue the modernization program, provide critical weather services including local warnings and forecasts, and maintain all current services of the NWS at their present levels. The FY 1994 request allows the NWS to maintain operations while meeting the conditions outlined in Public Law 102-567, which establishes requirements for the commissioning decommissioning of equipment, and the staffing, certifying and restructuring of all field offices.

The FY 1994 request contains an investment increase of $217.4 million for weather service modernization that allows NOAA to proceed with the following components of the program:

- Modernization and Associated Restructuring Demonstration and Implementation (MARDI) provides for the staffing and training required to operate future weather offices as well as prepare for a multi-site demonstration of the modernized capabilities. An increase of $52.5 million is requested.

- Next Generation Weather Radar (NEXRAD) will replace existing obsolete radars, enhancing national warning capabilities. An increase of $40.6 million is requested.
- Weather Forecast Office (WFO) construction provides for the acquisition, construction, or renovation of the office facilities of the modernized and restructured Weather Service. An increase of $14.7 million is requested.
- The Advanced Weather Interactive Processing System (AWIPS/NOAAPORT) will integrate radar, satellite, and other data at NWS forecast offices and provide the communication dissemination service to significantly improve forecasting capabilities. An increase of $29.7 million is requested.
- The Central Computer Facility upgrade will help improve forecasts of major storms and lead to more accurate medium and extended weather forecasts. An increase of $3.1 million is requested.
- Automated Surface Observing Systems (ASOS) will reduce manual observations, provide continuous data, and increase staff productivity. An increase of $0.6 million is requested.
- Geostationary Operational Environmental Satellites (GOES) provide for the continued procurement of GOES I-M satellites, instruments and ground systems that are the primary source of advance warnings of hurricanes and other severe weather events. An increase of $66.2 million is

requested.

- Polar-Orbiting System provides for the continued procurement of replacement spacecraft and instrument payloads necessary to maintain a constellation of two global environmental satellites until the early 2000's when the Europeans will assume responsibility of the morning coverage. An increase of $10 million is requested.

Maintain Critical Operations in Fisheries, Ocean Services, the Weather Service and Satellite Programs

NOAA's Agenda for the 1990s includes stewardship of the Nation's natural and living marine resources. This work, including research to develop science-based policy options, cannot be undertaken without proper funding. Total NOAA funding of $46.5 million to maintain on-going operations is needed to fulfill responsibilities in fisheries, ocean services, and other programs including weather and satellite services. Without these funds, NOAA's ability to address natural and living marine resource issues will be severely reduced.

The FY 1994 request includes an increase of $23.4 million to allow NOAA to continue providing critical weather services, such as local warnings and forecasts and allows the National Weather Service (NWS) to meet the conditions outlined in Public Law 102-567.

While the FY 1994 request of $224 million for the National Marine Fisheries Service (NMFS) does not propose any funding for new or expanded programs, it does provide funding of $11.9 million needed to maintain essential on-going operations of NMFS. This funding is necessary to avoid significant downsizing involving over 270 employees and the closure of a number of NMFS facilities. This downsizing would result in a loss of scientific expertise, data and information in every geographic region and would affect the management of most major fisheries, including the implementation of existing Fisheries Management Plans, nationwide and in-season allocation adjustments, as well as delays in the development, review and implementation of endangered species listings and recovery plans.

Reauthorizations of the Magnuson Fishery Conservation and Management Act, the Endangered Species Act and the Marine Mammal Protection Act are pending and may lead to additional requirements, such as those specified in previous reauthorizations (e.g., Secretarial responsibility for Atlantic highly migratory pelagics management), being placed on NMFS in FY 1994, requiring productivity gains and increased program efficiency to meet these responsibilities. It is critical to ensure adequate funding of NMFS' on-going activities before these increased responsibilities are added.

Program increases of $3.5 million in the FY 1994 budget request of $148.8 million are essential for maintaining current operations and staffing for the National Ocean Service (NOS). Without the basic operational funds requested, NOS would be forced to cut back on geodetic activities related to the National Geodetic Reference System, necessary for the rebuilding of the Nation's infrastructure. Moreover, there would not be sufficient funds to operate and maintain the tide gauges, resulting in degradation of the network. This in turn would lead to deterioration in the accuracy of tide predictions, nautical charts, and storm surge predictions. The Circulatory Program would not be able to keep pace with circulation changes in the Nation's estuaries, bays and coastal areas. These impacts could result in a visible drop in the quality of the tide/current tables vital for the safety of maritime commerce. Finally, the requested increase would enable NOS to continue to analyze and distribute global sea level data and products derived from satellite altimeter measurements.

Increased funding totalling $7.7 million in the Oceanic and Atmospheric Research (OAR) FY 1994 request of $214.1 million would be used to maintain on-going activities in several areas. The funds would maintain the global greenhouse gas measurements program and address scientific issues associated with the Clean Air Act Amendments of 1990. The funds would reinstate advanced forecast development and refine remote sensing technologies for observing and predicting severe weather and precipitation conditions. They would fund full operation (24 hours/day, 7 days/week) of space weather data, forecasts, and warnings which are crucial to satellite operations, space exploration, international navigation, high altitude polar flights, high frequency radio communications, remote surveillance, and electric power distribution.

Additional funding of $2.1 million is requested to increase the activities of the Regional Marine Research Program. This funding would provide peer-reviewed research proposals to increase understanding and assessment of our Nation's marine resources.

Full funding of $145 million should be provided for Program Support or the administrative services supporting all NOAA line offices such as procurement, personnel and grants administration may be affected.

Investments in the Future

Funding for investments in FY 1994, tailored to our global environment, is another high priority of both NOAA and the Administration.

Highlighted at the United Nations Conference on Environment and Development (UNCED) held in June 1992, global issues are addressed by the U.S. Global Change Research Program (USGCRP) of which NOAA's Climate and Global Change Program plays a critical role. The document Putting People First notes that the U.S. must, "Exert international leadership to advance our own nation's interest in a healthier global environment, a stable global climate, and global biodiversity..."

NOAA's FY 1994 request includes an increase of $23 million for NOAA's Climate and Global Change Program, part of the cross-cutting USGCRP, bringing the total NOAA share of funding for the program to $70 million. Of the $23 million requested, $19 million would be used to continue high-priority research programs supported in FY 1993 with monies appropriated to the Department of State and transferred to NOAA. The request allows the agency to continue its contribution in government-wide programs that are integrated by the Federal Coordinating Council for Science, Engineering and Technology (FCCSET).

The Climate and Global Change programs include observational and research activities that provide insights into critical Earth System problems. These insights have significant long-term benefits. Work would be pursued in such areas as atmospheric chemistry, the role of the ocean in climate change, and in modeling which will eventually allow the Nation to reasonably predict long-term climate change. The funds would also allow NOAA to begin implementing U.S. support for the International Research Institute for Climate Prediction (IRICP), a commitment the United States made at UNCED.

The FY 1994 request includes $2.6 million for the FCCSET program in High Performance Computing and Communications (HPCC). These funds would make possible major improvements in the Nation's ability to forecast weather and predict climate change, while, at the same time, stimulating gains in U.S. industrial competitiveness through the use of evolving high performance computing and high speed networking technologies. More accurate and more timely assessment of the future impact of climate change would be possible. Finer resolution in global and regional models will result in improved weather forecasting and warning services, especially for hazardous weather and flight safety.

Recognizing the Importance of Other NOAA Programs

I want to emphasize that for the first time in 12 years, level/constant funding for the Sea Grant program and the Coastal Zone Management (CZM) program has been requested. The funding request for these two important programs, $39.8 million for Sea Grant and $33.5 million for CZM, translates into a bipartisan gain for many states, as well as assurance that these activities will continue. Also, more states/territories are expected to participate in the CZM program in FY 1994. For the first time, the National Undersea Research Program (NURP) is also part of the President's budget request. Funding of $2 million has been proposed to continue core work undertaken with the ALVIN submersible and deep diving facilities, research in diving safety, and technology development.

Fleet Modernization Status

Modernization of the NOAA fleet began in FY 1992 and continues through FY 1994 with: the performance of critical and routine maintenance; the identification of detailed repair and construction requirements; the preparation of design and technical specifications; the transfer of and testing of two nearly new, surplus Navy ships and the conversion of one of those ships to support oceanographic research; and the performance of repairs-to-extend the service life of one NOAA ship. NOAA requests $23 million for the Fleet Modernization program, a decrease of $4.5 million from the FY 1994 base. Funds appropriated in FY 1993, in addition to the FY 1994 request, will be sufficient to continue the fleet modernization program. The Administration strongly supports the modernization of the NOAA Fleet and is reviewing the options for the Fleet Modernization Program.

Administrative Savings and Terminations

NOAA has assumed its share of the responsibility for deficit reduction by proposing administrative and personnel savings. As part of the President's commitment to cutting the cost of Federal Government and the size of the workforce, NOAA will achieve savings of $25.6 million in FY 1994.

In order for NOAA to deliver more focused service, the FY 1994 budget includes $66.9 million in program decreases for programs that are inappropriate for the Federal government to undertake; benefit only small groups; are not NOAA's statutory responsibilities; are one-time expenditures whose purpose has been achieved; or are lower priority activities. Support for NOAA's basic program is essential. For instance, in FY 1994, the NMFS budget request contrasts dramatically from previous budget proposals which proposed reductions of up to 60% of base NMFS programs. The particular program cuts proposed by the Administration in FY 1994 are intended to minimize any adverse effects on our ability to fulfill our responsibilities.

This is NOAA's package. Our priorities evidence what NOAA offers the Nation and how the agency can fulfill President Clinton's goals of a sound economy and exemplary service. Given the correct resources, NOAA can be equipped to meet the President's challenge for a more efficient, effective Government serving the people into the 21st century. In order to fulfill its mission to the best of its ability and meet the challenges of the 1990s, NOAA must have adequate financial resources in FY 1994. As the Administration states, "if we work together, we can transform our vision and values into reality."

Mr Chairman, thank you for giving me the opportunity to present NOAA's FY 1994 Budget Request. I will be happy to answer any questions the Subcommittee may have.

1994 INVESTMENT PROPOSALS

Mr. **Smith**. I know you are kind of at a disadvantage here, being the acting Under Secretary; and we may even have to have another hearing after an Under Secretary is confirmed because you do have a substantial budget here. NOAA's budget is very important. But I will ask you some of these questions. Maybe you can answer them and maybe you can't from your position as Acting Under Secretary.

But with regard to the investment package, $243 million of your request is included in the investment proposal, and that, of course, is subject to lifting the budget caps, which in all likelihood will not be done. And my question is why were such things, like weather modernization, the satellites, and climate and global change, for example, that you got last year in a transfer from the State Department, put into the investment package instead of the normal program increase package?

You can call on somebody else if you need to.

Ms. **Josephson**. I don't know the answer to that question. We submitted our budget request to OMB.

Mr. **Smith**. In other words, the answer is that OMB did that?

Ms. **Josephson**. Yes, that would be the answer to the question.

1994 PROGRAM TERMINATIONS

Mr. **Smith**. You have $66 million in programs that are proposed to be eliminated.

Ms. **Josephson**. Right.

Mr. **Smith**. Did you ask OMB to eliminate those programs, or was that done at OMB?

Ms. **Josephson**. No. We determined which programs would be cut.

Mr. **Smith**. Okay. What criteria did you use to determine that?

Ms. **Josephson**. We used programs inappropriate for the Federal Government to undertake.

Mr. **Smith**. Well, what does that mean?

Ms. **Josephson**. For example, our view was that the Weather Modification Programs were more appropriately the responsibility of States rather than the Federal Government. That would be an example of that category.

Mr. **Smith**. Well, who decided that? I mean do you have anything in writing that decides what is appropriate for the Federal Government rather than the States?

Ms. **Josephson**. In looking at our priorities, NOAA recommended that this be cut on the basis that it was more appropriately funded at the State level rather than at the Federal Government level.

Mr. **Smith**. You say NOAA?

Ms. **Josephson**. Right.

Mr. **Smith**. Who at NOAA?

Ms. **Josephson**. I was one.

Mr. **Smith**. In other words, you looked at it?

Ms. **Josephson**. Yes, I looked at it.

Mr. **Smith**. And you just decided I think this ought to be a State project and this one ought not to be?

Ms. **Josephson**. Based on the priorities that we were faced with, yes.

Mr. **Smith**. Now, this $66 million, some of those were one-time projects. Do you know how many were one-time projects and how many would be continuing projects?

Mr. **Moxam**. Mr. Chairman, most of the projects in the construction accounts were one-time projects. These total about $27 million.

Mr. **Smith**. So we are talking about roughly $39 million?

Mr. **Moxam**. In program cuts.

Mr. **Smith**. In program cuts.

Can any of those projects under your present ideas be accommodated within the base request?

Ms. **Josephson**. Yes, and we are preparing a list of those and would like to submit it for the record.

Mr. **Smith**. That would be fine.

[The information follows:]

INSERT FOR THE RECORD

A detailed list of NOAA's terminations and relationship to ongoing programs is attached below:

NOAA TERMINATIONS

National Ocean Service

Subactivity **Mapping, Charting and Geodesy**

Line Item Mapping and Charting (-$2,500,000)

Mapping and Charting (-$2,500,000): This is a program decrease to privatize the printing of nautical and aeronautical charts; other mapping and charting activities will be continued from base funds.

Line Item Geodesy (-$2,228,000)

South Carolina Cooperative Geodetic Survey (-$554,000): This is a regional program and is of lower priority than the national programs. This program is not covered by base funds.

Land Information System (-$1,674,000): This is a regional program and is of lower priority than the national programs. This program is not covered by base funds.

Subactivity **Observation and Assessment**

Line Item Observation and Prediction (-$1,040,000)

California Marine Observation Buoys (-$140,000): This is a regional program. The operation and maintenance of weather buoys nationwide is the responsibility of the National Data Buoy Center of NWS. Adequate resources ($10,292,000) remain to maintain a level of acceptable reliability of observational data.

Chesapeake Bay Observation Buoys (-$400,000): This is a regional program. The operation and maintenance of weather buoys nationwide is the responsibility of the National Data Buoy Center of NWS. Adequate resources ($10,292,000) remain to maintain a level of acceptable reliability of observational data.

Institute for Marine Engineering (-$500,000): This program is not as critical to NOS' mission as the base programs. This program is not covered by base funds.

Line Item Estuarine and Coastal Assessment (-$175,000)

Marine Protective Structures (-$100,000): This program, begun in FY 1993, is not as critical to NOS' mission as the base programs and only serves a limited group of users. This program is not covered by base funds.

NY Harbor Water Quality Model (-$75,000): This program, begun in FY 1993, is not as critical to NOS' mission as the base programs and only serves a limited group of users. This program is not covered by base funds.

Subactivity Ocean and Coastal Management

Line Item Coastal Management (-$960,000)

Charleston, S.C. Special Area Mgt. Plan (-$960,000): This is a regional program and is of lower priority than the national estuarine programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Line Item Ocean Management (-$144,000)

Hawaii Humpback Marine Sanctuary Institute (-$144,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Subactivity Observation and Assessment

Line Item Coastal Ocean Science (-$450,000)

Maui Algal Bloom Crisis (-$450,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

National Marine Fisheries Service

Subactivity Information Collection and Analyses

Line item Resource Information (-$3,536,000)

Stuttgart (-$576,000): NOAA funding should not support catfish rearing at Stuttgart because these activities relate to freshwater programs which are the responsibility of the Department of the Interior. This program is not covered by base funds.

Atlantic bluefin tuna research (-$300,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Oyster disease research (-$1,500,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Hawaiian monk seals (-$520,000): This program will be continued with $203,000 included in the base.

Hawaii stock management (-$500,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Center for shark research (-$140,000): This is a regional program and is of lower priority than the national programs that were significantly reduced in the FY 1993 appropriation. This program is not covered by base funds.

Subactivity **Conservation and Management Operations**

Line item Fisheries Management Program (-$1,304,000)

Beluga whale committee (-$192,000): The Administration's proposed management program is sufficient to meet high priority protected species management needs. This program is not covered by base funds.

Columbia River smolt/squawfish (-$112,000): This research on smolt/squawfish survival is not essential to meet priority program mission requirements. This program is not covered by base funds.

Pribilof Islands (-$300,000): This add-on was a one-time measure to meet emergency fuel needs in the islands. This program is not covered by base funds.

International Fisheries Commissions (-$700,000): This funding and these activities are more appropriately the responsibility of the Department of the Interior. This program is not covered by base funds.

Line item Protected Species Management (-$796,000)

Fishery observer training (-$96,000): This program is not covered by base funds.

East coast observers (-$700,000): The Administration's proposed data collection program is sufficient to meet essential conservation and management information needs. This program is not covered by base funds.

Subactivity **State and Industry Assistance**

Line item Grants to States (-$186,000)

Anadromous fishery project (-$186,000): The Administration's proposed research program is sufficient to meet high priority information needs for fisheries management. This supplemental funding is not needed.

Line item Fisheries Development Program (-$768,000)

Export strategies/mahi mahi (-$768,000): Continuation of this type of market analysis should be funded by industry. This program is not covered by base funds.

Oceanic and Atmospheric Research

Subactivity **Atmospheric Programs**

Line Item Weather Research (-$3,011,000)

Federal State Weather Modification Grants (-$2,639,000): NOAA does not conduct any research on cloud physics and precipitation research since it does not support NOAA's mission. Research of this type is more appropriately the responsibility of the individual states receiving direct benefits. This program is not covered by base funds.

Southeastern Storm Research (-$372,000): NOAA has a comprehensive program of research in thunderstorms and tornadoes which is applicable to areas across the United States. If NOAA's increase for critical weather research is funded in FY 1994, NOAA could support some research on southeast storms.

Subactivity **Ocean and Great Lakes Programs**

Line Item Marine Prediction Research (-$2,291,000)

GLERL Zebra Mussel (-$911,000): Current plans are to complete the field work in FY 1993 and to synthesize data and publish results in FY 1994 using GLERL base funds.

Southeast Florida and Caribbean Recruitment Studies (SEFCAR) (-$1,000,000): These studies are of lower priority particularly since most of the species studied are in State waters. This program is not covered by base funds.

Lake Champlain Study (-$190,000): This is lower priority study. NOAA's research in the inland water bodies focuses primarily on the Great Lakes. The understanding of the processes learned while studying these bodies of water is used as a baseline for addressing related problems in other locations. This program is not covered by base funds.

Pacific Island Technical Assistance (-$190,000): This program is not covered by base funds.

Line Item Sea Grant (-$4,100,000)

Zebra Mussel (-$2,800,000): NOAA's assessment is that a sufficient body of research is currently being undertaken. Numerous alternative sources of funding have developed for zebra mussel research, both from the private and public sectors. Many grant projects will continue to be active through FY 1994. Outreach can be supported within the base Sea Grant program.

National Coastal Resources Research and Development Institute (-$1,300,000) These funds are awarded in a non-competitive process for activities with are not central to NOAA's mission. This program is not covered by base funds.

Line Item Undersea Research Program (-$13,885,000)

National Undersea Research Program (-$13,885,000): A decrease of $13,885,000 is requested for the National Undersea Research Program as a result of refocussing the program to provide priority services for NOAA. This will leave a $2,038,000 for a program which would include the use of deep submergence vehicles including the ALVIN and programs in diving safety and performance. No federal funding is requested for the six regional Undersea Research Centers.

National Weather Service

Subactivity **Operations and Research**

Line Item Local Warnings and Forecasts (-$948,000)

Data Buoy--Engineering and Testing (-$518,000): This will reduce the level of engineering development and redesign at the National Data Buoy Center. Adequate resources ($10,292,000) remain to maintain a level of acceptable reliability of observational data. Future data buoy system development will be deferred.

Contract Observers at Three Locations (-$190,000): This will eliminate contract observers at Stampede Pass, Washington; Sexton Summit, Oregon and; Blue Canyon, California which are no longer needed. Automated Surface Observing System (ASOS) units have been installed at all these locations. Operations and maintenance costs for the ASOS at these locations will be paid from base funds.

American Samoa WSO Upgrade (-$240,000): Hurricane damage has been repaired, additional equipment has been purchased, and upgrades to the office have been made to maintain existing weather services. WSO operations will be supported from the NWS base funding.

Program Support

Subactivity **Marine Services**

Line Item Marine Services (-$886,000)

Marine Electronics Agenda (-$700,000): No related base funds will be expended.

New England Science Center (-$186,000): NOAA's Office of External Affairs will continue to develop and deliver of video programs, curricula and activities to promote awareness of NOAA programs.

Construction Account

Multispecies Aquaculture Center (-$381,000): This is not a NOAA facility and no further funds will be expended.

Woods Hole Biology Lab (-$953,000): This is not a NOAA facility and no further funds will be expended.

Newport Marine Science Center (-$1,752,000): This is not a NOAA facility and no further funds will be expended.

Alaska Fisheries Center (-$95,000): The requirements study for a facility at Kodiak will be completed in FY 1993.

Columbia River Facilities (-$7,822,000): These will not be NOAA facilities and no further funds will be expended.

U of N.H. Biological Sciences (-$14,309,000): This will not be a NOAA facility and no further funds will be expended.

Boston Biotech (-$953,000): This will not be a NOAA facility and no further funds will be expended.

Mystic, CT Maritime Education and Research Center (-$953,000): This will not be a NOAA facility and no further funds will be expended.

Fisheries Obligation Guarantee (FOG) Fund

Fisheries Obligation Guarantee (FOG) Fund (-$483,000): NOAA proposes that no new loan guarantees be made under the FOG program. The FOG program represents an inappropriate and unnecessary Federal intrusion into the private credit markets. Sufficient financing on adequate financial terms is available through the private markets.

Ms. JOSEPHSON. I should mention that we received a total amount from OMB for the cuts.

CLIMATE AND GLOBAL CHANGE PROGRAM

Mr. SMITH. Now, regarding Climate and Global Change, I just mentioned that we put $25 million under State Department, and they wanted to start a program over there, too. But anyway, how much of that did Commerce receive?

Ms. JOSEPHSON. $20 million that has been transferred.

Mr. SMITH. Why was that $20 million not listed as an adjustment to base rather than in an investment package?

Mr. MOXAM. Because in the process, Mr. Chairman, we didn't transfer the money that the State Department received in 1993 between State and Commerce until after the budget was submitted.

Mr. SMITH. Oh, it was a matter of timing then?

Mr. MOXAM. Yes, sir.

Mr. SMITH. That is really an adjustment to base though; isn't it?

Mr. MOXAM. It would support an ongoing program in NOAA; yes, sir.

Mr. SMITH. How are we coming with that program?

Mr. MOXAM. We received the funds from the State Department on April 8th, and we already have some grants in our Grants Office ready to go out.

Mr. SMITH. Is there anybody that can give us any update on when we can expect to know more about El Nino and be able to predict weather better?

Ms. JOSEPHSON. Mike Hall, the Director of our Global Change Program.

Mr. HALL. Mr. Chairman, this year with $2 million of the appropriated funds that went through the State Department, we are initiating a pilot project in El Nino forecasting. It is not the creation of the center that we had in mind, but it is a step in that direction by demonstrating that that concept would work.

So this year we will see some acceleration of our plans for El Nino forecasting. The President's request in 1994 will increase the amount for El Nino forecasting to around $6 million, by which time we hope to be implementing this multinational approach to forecasting that we talked about, as well as addressing application centers in other countries of the world that are less equipped than we to use the information.

FLEET MODERNIZATION

Mr. SMITH. Everybody wants to buy a ship or two, you know. What is the current proposal on that? Some of the universities tell me they have room on their ships for whatever research needs to be done, rather than agencies buying another ship. What is the current status of that?

Ms. JOSEPHSON. Well, we have a fleet modernization plan, as you know, and the new group is looking at the plan to see what other resources may be out there, both university, and additional Navy T-AGOS vessels which may be available to us. We are formulating our specific plan for fiscal years 1994 and 1995 right now. We are required to submit a copy of that plan to this Committee, which we will be doing shortly.

Mr. SMITH. Do you or anyone you want to call on deny that the universities have capacity to rent out their ships?

Ms. JOSEPHSON. Admiral Peterson will respond.

Adm. PETERSON. Mr. Chairman, we understand that there is some time on university-owned medium-sized ships, and we are taking advantage of that. That will be part of the plan, so that we plan a minimum of 200 sea days a year.

Mr. SMITH. So there isn't any disagreement. They do have time that you could use?

Adm. PETERSON. They have told us that they do have some time, and we will be working with them to see how that can fit into our plan.

Mr. SMITH. How does 200 days compare with the amount of time that you are talking about under these budgets?

Mr. JOSEPHSON. We are currently at 3,600 days at sea, so 200 is a small portion of that.

Mr. SMITH. You are talking about additional time, 3,600?

Ms. JOSEPHSON. This is our existing level of effort.

Mr. SMITH. I mean additional time, how many days at sea? The 200 we are talking about is additional time?

Adm. PETERSON. Yes, sir. It is a part of our total plan which will be beyond 3,600 days that we are asking for in the fleet modernization program.

Mr. SMITH. How many additional days at sea is there in your total plan?

Ms. JOSEPHSON. We are to go up to at least 5,000 from 3,600.

Mr. SMITH. In other words, 1,400?

Ms. JOSEPHSON. 1,400 more; right. We are examining those totals again to see if they are adequate.

Mr. SMITH. Well, we want to look at that pretty carefully before you buy any more ships.

Adm. PETERSON. Yes, sir. We conduct an economic analysis to look at government-owned/contractor-owned type analysis before each ship is gone through.

Ms. JOSEPHSON. I believe I am correct in saying that there is no money in the fiscal year 1994 budget request to actually buy a new ship. What we are doing is going through design specs. We are developing the design part of the procurement process with the idea that fiscal year 1995 may be the time to look at buying new ships.

NEXT GENERATION WEATHER RADAR (NEXRAD)

Mr. SMITH. Tell us about NEXRAD now. You will have 154 by 1996, and what is the situation there?

Ms. JOSEPHSON. Let me ask Mr. Boezi to give you that information.

Mr. SMITH. Please give your name to the reporter.

Ms. JOSEPHSON. Lou Boezi, the National Weather Service.

Mr. BOEZI. Sir, we are deploying the production systems as we speak, and across the country the operational use begins shortly after the installation and checkout process, and as we deploy these systems, each station is beginning to adjust, acclimate to the new sources of information, and we are seeing very, very marked improvements in our ability to forecast and provide further pinpoint-type warnings across the country. It is a common practice that we are seeing now.

Mr. SMITH. Well, is the program on schedule, 154 by 1996?

Mr. BOEZI. Yes, sir.

Ms. JOSEPHSON. Correct.

GOES SATELLITES

Mr. SMITH. What about the GOES satellites?

Ms. JOSEPHSON. The GOES satellite, GOES I, will be ready to be shipped to the Cape February 15th, next year. We have just had a meeting with General Dynamics, the launch services company, who has informed us that we are currently scheduled to go on the pad April 25th with a launch date of June 23rd.

As background to this, NASA Lewis' contract with General Dynamics calls for a launch of GOES I this coming December and GOES J the following December. As I understand it, last summer we became aware of the instrument delays and that we were not going to make those launch dates. So NASA did some studies as to when we would be ready to ship, and a final decision from Goddard Space Flight Center after they vacuum tested the sounder instrument was to request NASA Lewis to negotiate with General Dynamics for a new launch date and they requested February 15th. We have a commercial launch services contract with General Dynamics and that launch slot was already occupied by a commercial customer. So they have not yet been able to accommodate our request.

NASA and our people are still working with General Dynamics to see if there is a possibility of moving the launch date to April 15th, but as of this moment, the launch date that has been proposed to us is June 23rd.

The GOES 7 spacecraft is still in good shape, has enough fuel and there will not be deteriorating data to make it unusable within that time frame. So unless we have a catastrophic failure, we can accommodate this two-month delay. I have asked our people to come up with an estimate of what the cost of an additional two months on the ground will be. I don't have those figures yet, but will submit them for the record.

We have METEOSAT-3 on station over the Atlantic and we have GOES 7. In the event of a catastrophic failure, the Commercial Launch Services Act does have a provision for a preemption for national security. We could consider that if we really needed to. At the moment, so far so good is the way I would describe it.

[CLERK'S NOTE.—Subsequent to the hearing, the following information was provided.]

While a conflict for access to the Atlas launch pad has arisen which may result in a two month delay in the launch of GOES-I, there would be no short-term cost impact as the General Dynamics contract is a fixed price contract. The contractor team is in place and being paid and they will continue working on the program whether there is a delay in the first of the five GOES launches or not.

ZEBRA MUSSEL RESEARCH

Mr. SMITH. One more question before I yield. Tell us about the Zebra mussels. How are we getting along with that problem?

Ms. JOSEPHSON. I will let Dr. Allan Thomas, Director of the Environmental Research Laboratories, answer that.

Mr. THOMAS. I am Alan Thomas with the Office of Oceanic Atmospheric Research. We carry out the Zebra Mussel Program, both through the Sea Grant Program, as well as through the Great Lakes Environmental Research Laboratory. We have been working for several years on this problem and we have done a good job in identifying the spread of the Zebra mussel, and also getting information out to the users within the region.

Mr. SMITH. But are they still increasing?

Mr. THOMAS. The extent seems to be increasing. They are now into many of the river systems, the latest being the Arkansas River.

Mr. SMITH. What is the answer on controlling them?

Mr. THOMAS. To control them, right now basically there is research for trying to control Zebra mussels through biological interference and predator-prey relationships.

Mr. SMITH. What about the ducks? Have they been used?

Mr. THOMAS. No, not that I know of. I would have to go back and check to make sure.

Mr. SMITH. What else?

Mr. THOMAS. Right now, water systems and power plants have found ways to clean up their intakes, which has been the major activity in terms of trying to mitigate the effects of Zebra mussels.

Mr. SMITH. But do they rehabitate?

Mr. THOMAS. Yes. We do not yet have a way of interfering with their biological cycle, which is one of the areas that research is taking place on which would be a way of solving the problem in the long term. Research is continuing through our programs. I think what we are trying to do now is get the information out to the users about how to counteract the problem.

Mr. SMITH. Is that out of the question? Is that not feasible, or why are they not being used at all?

Mr. THOMAS. I would have to find an answer to that for you and submit it for the record.

[The information follows:]

NOAA does not have any research on ducks as predators for zebra mussels, however, the U.S. Fish and Wildlife Service (USFWS) is currently conducting research on waterfowl predation in zebras mussels. The USFWS program is mission oriented to study the effects of the zebra mussel on fish and wildlife. USFWS has found that certain duck species do feed on zebra mussels and they have observed alterations in the migration patterns of some ducks due to the abundance of zebra mussels as food. It is not realistic, however, to assume that the ducks would eat enough mussels to provide control for the nuisance species, partly because many mussels grow in inaccessible areas such as inside water intake pipes and at depths too deep for diving ducks. Furthermore, there is concern that ducks eating potentially contaminated mussels may suffer high body burdens of toxic contaminants through bioaccumulation.

Mr. SMITH. Well, if you are doing the research, shouldn't that be a part of the research?

Mr. THOMAS. It may well be in the program. I am not aware of it, sir.

Mr. SMITH. Well, if it is not perhaps it should. I mean we finally got rid of the eels with the coho salmon and now we have a coho salmon problem. Many restaurants here have coho salmon; they call it Norwegian salmon and I call that a problem. But don't you have any research going on to look for a natural enemy like that?

Mr. THOMAS. Indeed, as I said, there are ways to try to——

Mr. SMITH. This is a serious problem we are talking about.

Mr. THOMAS. Yes, that is correct. It is a very serious problem, and it has spread into many rivers, as well as the Great Lakes, yes. We are continuing with the research that is ongoing through Sea Grant.

Mr. SMITH. Well, as serious a problem as this is, why wasn't that a part of your budget request?

Ms. JOSEPHSON. We believe that with the restoration to base and on-going Sea Grant Program, that OAR can continue a level of research on the Zebra mussels. There are a whole series of research grants which are under way which will continue over the next two or three years through the Sea Grant program.

In addition, we are working closely with the Corps of Engineers and with EPA, who also have funding for Zebra mussels, and GLERL is doing Zebra mussel research, so our sense was that there is an adequate base of research being funded by the three Federal agencies at this time.

Mr. SMITH. I have a lot more questions, but as I say, you are at a disadvantage today being Acting Under Secretary, and I think I will withhold my other questions.

Mr. Rogers.

FY 1994 INVESTMENT ITEMS

Mr. ROGERS. Thank you, Mr. Chairman.

Madam Secretary, it is good to see you and your colleagues.

Ms. JOSEPHSON. Thank you.

Mr. ROGERS. Now, quite a large piece of your requested increase, $243 million, is included in the so-called investment proposal.

Ms. JOSEPHSON. Correct.

Mr. ROGERS. Which is subject to Congress lifting the current budget caps through the reconciliation process, which a lot of us think won't happen. Could you share with us the rationale for determining which programs were included in this investment package versus the base program, and why were certain ongoing programs like Weather Modernization, satellites, and Climate and Global Change included as an investment rather than normal program increases.

Ms. JOSEPHSON. When we submitted our request to OMB, we understood it was a normal program increase, and we were not involved in the decision to include it as part of the investment package.

Obviously if we don't get the investment increase, it is going to have a major impact on weather service modernization and the global change research program, which is a serious concern.

Mr. ROGERS. Well, and it should be, because a lot of us, as I said, don't believe that the Congress will lift the budget caps in the reconciliation package, and I wonder what you are going to do then?

Ms. JOSEPHSON. Well, in the case of GOES I, we have the GOES Contingency Fund, which we would have to look at to see how we would use that to get the launch of GOES I off on the date that we have been talking about, in June of next year.

In the case of the weather modernization, it would result in a two-year delay in installation of 25 NEXRAD radars. We may have possible contract termination costs of $200 million. We may have to terminate the advanced weather interactive processing system, costing us approximately another hundred million and delay in staffing the new weather forecast offices.

So there are serious implications for the weather service modernization, which as you know is an integrated plan, very complex, and is moving forward, on schedule, on cost at the moment, leading to a full implementation in 1996.

Mr. ROGERS. What would you cut back if we don't give you the money?

Ms. JOSEPHSON. Well, as I said, we would delay the 25 NEXRAD radars that are covered by this request, and we would have these other termination cost possibilities. We would have to go back and look at that for you in detail. We only ourselves became aware of this problem I guess about a week ago when we were doing some of the pre-briefings and congressional staff raised this issue. So we will have to develop that information for you.

[The information follows:]

The specific effects of not receiving the investment increases requested for NWS modernization would be as follows:

The NEXRAD contract would have to be renegotiated at an estimated cost increase of $200 million.

The AWIPS contract would have to be renegotiated at an estimated cost increase of $100 million.

The GOES Contingency Fund would have to be depleted in order to maintain the current GOES launch schedule and prevent a no-GOES situation.

The Polar program would be at risk of experiencing a no-polar situation between the current and follow-on programs.

The NWS Transition Program (MARDI) and the WFO Facilities projects would come to a virtual standstill resulting in a significant delay in the overall Modernization effort until such time as sufficient funds were restored to continue the program.

Mr. ROGERS. You are only now aware of what problem?

Ms. JOSEPHSON. The problem of the cap versus the investment package.

Mr. ROGERS. In other words, a major portion of your request is now problematic because of the cap.

Now, you had requested $81 million as a part of the econcomic stimulus supplemental which now has gone down to defeat. What will be the impact of not receiving those moneys on your ongoing operations?

Ms. JOSEPHSON. In the case of weather service modernization, a part of those funds would have resulted in additional people being hired to begin to staff the weather service offices at an earlier date. Not getting resources this year will mean that some of the offices will have equipment, but won't be fully staffed and we will have to pick up that request in the 1995 budget.

In the case of fisheries, we were hoping to use this money to complete the purchase of their new computer system, the IT–95. This year we have $3 million in the budget to start that procurement, and we were hoping to complete it. Again, this would go into the 1995/1996 time frame.

Mr. ROGERS. Will you be changing your 1994 request in view of the collapse of the stimulus package?

Ms. JOSEPHSON. I don't know at this time. Probably not. The items that we were requesting were of the same general nature that would be covered in 1994, so it will mean these activities will be delayed.

FY 1993 REPROGRAMMING

Mr. ROGERS. Now, earlier this fiscal year, the Department submitted a rather large reprogramming request from NOAA, most of which was subsequently denied by the Congress. At that time NOAA indicated that severe shortfalls existed in many of the operating programs, particularly those of the National Ocean Service and the National Marine Fisheries Service. What is the current status of those funding shortfalls?

Ms. JOSEPHSON. Well, we have a reprogramming request in the department under review right now to deal with this issue. Did you want to add anything?

Mr. MOXAM. Yes, sir. We are still operating with a $23 million deficit in the National Ocean Service, National Marine Fisheries Service and National Weather Service combined, and we have addressed it with a reprogramming pending at the department now.

Mr. ROGERS. When will we receive that request?

Mr. MOXAM. I would hope it would be very soon, Mr. Rogers.

Mr. ROGERS. Will that include more money for the National Weather Service?

Mr. MOXAM. Yes, sir.

Mr. ROGERS. What is the current shortfall in funding for weather service operations?

Mr. MOXAM. $10 million.

Mr. ROGERS. And will that reprogramming request make up that difference?

Mr. MOXAM. Yes, sir.

Mr. ROGERS. Do you know where you are going to ask that it come from?

Mr. MOXAM. Well, that is part of the subject of discussion right now within the Department. As you know, there is some transfer authority issues left and we are also looking at major systems fundings.

Mr. ROGERS. Now, you are requesting a $20.3 million increase for weather service operations.

Ms. JOSEPHSON. Correct.

Mr. ROGERS. What does that deal with?

Ms. JOSEPHSON. This is to go into base operations to handle the additional staffing that is going to be required as part of the modernization process. As you know, we are beginning to enter a period of time in which we are continuing the current weather service stations in operation through 1996, but we are beginning to introduce the new weather service facilities, so there is going to be a duplication of staffing for a time, and so this increase covers that in part.

Mr. ROGERS. Now, how does that $20.3 million increase relate to the reprogramming.

Ms. JOSEPHSON. Reprogramming?

Mr. ROGERS. Request of $10 million.

Mr. MOXAM. The reprogramming, Mr. Rogers, is a temporary measure. The 1994 increase request would be permanent funding for operations. In 1993 we received an appropriation approximately $15 million less than our request. So you could think of the $20 million increase we are asking for in 1994 as an annualization of those sorts of costs.

Mr. ROGERS. And if you don't get the $20.3 million, what will be the impact?

Ms. JOSEPHSON. Lou Boezi, Deputy Assistant Administrator of the Weather Service.

Mr. BOEZI. The effect on operations would be to cause us to have to reduce the Service's operations to accommodate that amount of money resulting in a part-time operations at selected locations.

Ms. JOSEPHSON. So we would have the new facilities, but not be able to operate them fully and have to operate existing facilities on a part-time basis. The staffing would be out of sync with the installation of the new system.

Of course, if we don't get the increase for the systems, we will have to go back and regroup and look at both the staffing and the systems to determine how to get through this time period.

Mr. ROGERS. Well, if you don't get the $217 million increase for equipment and the like, would you then also need the $20.3 million?

Ms. JOSEPHSON. Yes, we would.

Mr. MOXAM. Yes, sir. Because the $20.3 million goes towards basic operations, and we will need it whether we proceed with modernization or not to maintain the current staffing levels and the current suite of offices we operate now.

Mr. ROGERS. Well, the $217 million increase, does that include just equipment?

Ms. JOSEPHSON. No, it includes other things.

Mr. BOEZI. Transition personnel, training etc.

Mr. MOXAM. It includes $52 million for the training and hiring of new people for the stations, as well as equipment funds. It also includes additional $14 million for construction of weather forecast offices an integral part of the modernization. The rest of the monies would be for equipment.

Mr. ROGERS. But it does include staffing?

Mr. MOXAM. Yes, sir.

Mr. ROGERS. For the new equipment?

Mr. MOXAM. Yes, sir.

Mr. ROGERS. And the $20.3 million increase you are requesting is separate from that?

Mr. MOXAM. Yes, sir.

Mr. ROGERS. I guess I am unclear about what such a large increase in one shot with no new equipment would be used for.

Ms. JOSEPHSON. For the $217 million or the $20 million?

Mr. ROGERS. The $20.3 million.

Ms. JOSEPHSON. Well, as I understand it, we requested $15 million in fiscal year 1993, which we didn't get, so we tried to reprogram to cover those costs. You know, the reprogramming is still pending, but that request is for base operations, and we are requesting it in 1994 because it is still needed. Now, the $217 million, the portion of that which is required for staffing, bears a direct relationship to the new equipment which is coming on line.

So we have two things going on. We have, you know, existing operation of the weather service, which requires the $20.3 million. We are overlaying on that the introduction of the new weather service offices with their new equipment, which is requiring additional staffing and training to get them operational. In fact, the direction from the Congress is to operate these two systems in parallel for a period of time, and then we have to prove and then certify that there will be no deterioration in service from the new offices over the old offices, and at that point we can begin to phase out the offices which will no longer be needed. So I mean the reality for 1994 through 1996 is that we are going to have a bulge here because of the dual operation.

Mr. SMITH. I assume you know this is a pretty sensitive matter with a lot of Members of Congress.

Ms. JOSEPHSON. I understand. Our job is to implement the congressional direction in the statute, which specifically directs us to do this.

PIKEVILLE, KENTUCKY WEATHER RADIO

Mr. ROGERS. And taking the Chairman's cue, let me ask you about the Pikeville weather service coverage in Kentucky. My district in eastern Kentucky is prone to severe flooding, flash floods, and so early warnings are absolutely critical for the safety of people, as well as property. The current repeater radio transmitter in Pikeville is worn out, it is breaking down frequently. They requested a new repeater radio transmitter, as well as a spare for Pikeville.

Could you check into that for me and see what the status of that might be?

Ms. JOSEPHSON. I can tell you that the existing equipment is being repaired at this moment and will be replaced in three weeks. Lou, do you want to add to that?

Mr. BOEZI. That is about it.

Ms. JOSEPHSON. So it should be up and operational again within three weeks.

Mr. ROGERS. With new equipment?

Mr. BOEZI. No. With repaired.

Ms. JOSEPHSON. Just repaired, not new equipment.

Mr. ROGERS. But it will work?

Mr. BOEZI. Yes, sir.

Ms. JOSEPHSON. I should point out that one of the things we are having to do as a result of having this $10 million shortfall in base is that some of our maintenance for weather service equipment is having to be deferred. I mean it is just a reality because we don't have all the resources to continue our maintenance program on the schedule that we would like to.

Mr. ROGERS. Well, I want to discuss Pikeville with you further because the local office tells me that they need a new machine, as well as a spare.

Mr. BOEZI. In general, the radio program, as you know, is quite old, and we are faced with the problem of sustaining its operation, and also extending coverage. As a matter of fact, in some locations, coverage is not adequate today. And we are looking at a rehabilitation program for the transmitters and repeaters, as well as the parallel equipment that sits in the weather office.

The first activity right now is looking at the replacement of the office equipment, which is in our judgment more antiquated than the transmitters. The transmitters are solid state-type devices, albeit old, whereas the office equipment is late 1960s, early 1970s-type of electro-mechanical technology.

So we are looking at keeping the current system running as long as we can at the same time a replacement activity is being discussed.

Mr. ROGERS. Well, I appreciate your doing that. It is absolutely critical to some of those areas prone to severe flash flooding. As a matter of fact, we had a catastrophe a couple of years ago down in Middlesboro because of the inadequacy of that station there in Jackson, and I don't want to see that happen again. And I know you don't.

Thank you, Mr. Chairman.

Mr. SMITH. Mr. Price.

SOUTHEASTERN STORM RESEARCH

Mr. PRICE. Thank you, Mr. Chairman. In perusing your budget request, it appears that you have requested no funds for the Southeastern Storm Research Consortium, which involves North Carolina State University, Florida State University, Georgia Tech and the University of Alabama at Huntsville. Many have noted this to be a valuable program with important research, and of course it has been funded rather modestly, $372,000 total last year, so I am curious about your priorities here.

First of all, did NOAA make any request of OMB for this research project?

Ms. JOSEPHSON. Yes, we did.

Mr. PRICE. And what was the nature of that request?

Ms. JOSEPHSON. This amount was included in the original budget request.

Clerk's note.—Subsequent to the hearing the following information was provided:]

The original FY 1994 OMB budget proposal was based on the FY 1993 President's budget. Therefore, no funding for this initiative was included in it.

Mr. PRICE. An amount of——

Ms. JOSEPHSON. $372,000——

Mr. PRICE. Identical to the current year's funding?

Ms. JOSEPHSON. Yes.

Mr. PRICE. And that was deleted at the departmental level or the OMB level?

Ms. JOSEPHSON. As I explained earlier, we were allocated a list of cuts as part of the investment/savings package that NOAA had to take. In reviewing programs that could be included in those cuts, we looked at and had a series of criteria, and one of them was programs of low priority, in the sense that if there were activities, similar activities which were being funded out of base, we would eliminate the specific earmarking for those programs and cover that research out of our base program. A company has a program of research on thunderstorms and tornadoes across the United States, so that was the rationale for putting this on the cut list.

Mr. PRICE. Is it realistic to expect that out of that base funding that this Southeastern Storm Research could be funded at anywhere near the same level that we have seen?

Ms. JOSEPHSON. No.

Mr. THOMAS. In the past, we have supported some amount of research to the consortium out of the base, a small amount, about $350,000.

Mr. PRICE. Well, in the absence of such support, despite increasing evidence to see that southeastern storm patterns were not like those elsewhere in the country, and needed some specific attention, it was that low level of support that of course lead to the specification of this southeastern project as a separate item in the first place.

We are all familiar, I assume, with the severity of these storms, the frequency of them, the unusual storm patterns that we are seeing in the southeastern United States. Five outbreaks of tornadoes in October of 1992 in Florida left three dead and 53 injured; 12 States, mostly in the Southeast were hit by 45 tornadoes in November of 1992, killing 45 people and injuring hundreds.

My understanding is that this consortium, which, after all, involves the premiere institutions involved in this kind of research, is making some real progress analyzing the radar signatures of these storms, plotting their relation to meteorological fields, monitoring the cloud level conversions to predict the wind draft of severe tornadoes, a feeding in of this planned service modernization, so that this research just doesn't sit out there, but it is integrated with our capacity to predict and anticipate these storms and to prepare for them. Would you share this generally positive assessment?

How would you assess the accomplishments of this consortium and its promise, its capacity to help us make more timely and more accurate forecasts?

Ms. JOSEPHSON. I would like to ask Alan Thomas, Deputy Assistant Administrator for OAR to respond.

Mr. THOMAS. Alan Thomas. We are happy with the progress to date on the program. We have worked fairly closely with the National Weather Service in the Raleigh office. We have brought in our National Severe Storms Laboratory personnel to work on the program, and we think that we have made progress in the work to date.

Ms. JOSEPHSON. We always are interested in working with universities. The budget this year involved a number of tough choices. The weather service modernization is in its peak year and required a major increase.

We also had as our second priority, as I mentioned in my testimony, restorations to base. We have many statutory-required

NOAA responsibilities which are inadequately funded and some areas I would describe as being paper thin. So we also had a requirement to take the $66 million of cuts as part of the President's reduction, and in light of all of that, much as we regret it, it was one of the tough choices we had to make.

Mr. PRICE. Well, we certainly welcome the weather service modernization in our region, and are encouraged that some of the past delays and difficulties are apparently being overcome.

Ms. JOSEPHSON. I'd say that the kind of support that we are giving to the universities, which comes from our base funding, will continue to provide the kind of support that Alan Thomas has just described to you.

Mr. PRICE. Well, this modernization clearly needs to be backed up with a sufficient research program and with some targeted research priorities. You have no doubt, do you, that should the subcommittee choose to again fund this Southeastern Storm Research Project, you have no doubt that you could coordinate that research adequately?

Mr. THOMAS. We believe we could do that.

[CLERK'S NOTE.—Subsequent to the hearing, the following answer was provided:]

We believe we could do that but recommended against it since it is inconsistent with the President's budget.

Mr. PRICE. In fact, you did request level funding for this research as part of your initial request?

[CLERK'S NOTE.—Subsequent to the hearing, the following answer was provided:]

CORRECTION TO WITNESS TESTIMONY

NOAA did not include funding for the Southeastern Storm Research Consortium in its original FY 1994 request to OMB because this submission was based on the FY 1993 President's Request which had requested that funding for this project be terminated.

The FY 1994 Baseline budget, however, submitted in January included continued funding for all projects at the FY 1993 Appropriated level (including the Southeastern Storm Research Consortium).

The FY 1994 President's Request requests termination of funding for this project.

Mr. THOMAS. That is correct.

NOAA UNDERSEA RESEARCH PROGRAM

Mr. PRICE. Speaking of work with universities, I would agree it is of great importance to most of the agency's mission and to the universities involved. One of the six National Undersea Research Program centers is located at the University of North Carolina in Wilmington.

Again, as I understand it, this university established a very good reputation within the marine science community for its science program, the other work they are involved in.

But I am curious as to what extent that assessment is shared by NOAA. As was earlier mentioned, you attempted to reprogram funds from this work, from this National Undersea Research Program. We are grateful for Chairman Smith's help during that episode.

Now you are requesting a substantial reduction in funds for this research. Is underseas research part of NOAA's mandate?

What is the reason for this continued apparent effort to lower the priority of this undertaking?

Ms. JOSEPHSON. NOAA is interested in underseas research. In fact, this is the first year the administration has requested funding for NURP, even though it is a small amount. That amount is designed to cover the core research, the statutory-required diving program, and the undersea submersible.

Again, in light of other priorities within NOAA, specifically the Weather Service Modernization and restorations to base, which were the only two things we were able to fund this year, those additions, because the global change and high performance computing programs came through the FCCSET process, which is a different source of revenues for the budget, we were able to include hardly any increases for new programs. NURP is actually one of the few increases from the FY 1993 President's budget we requested. We were not able to come up with the resources for the entire program.

Mr. PRICE. You say you are requesting funding albeit at a very, very modest level. What are you proposing to fund and what is going to be eliminated under this proposal?

Ms. JOSEPHSON. As I understand it, Alan Thomas can speak in more detail, we are preparing to fund the diving safety program, the ALVIN and some research. You want to explain it?

Mr. THOMAS. That is basically the story. What is not being funded would be the six regional centers.

Ms. JOSEPHSON. We view it as taking the first step to fund the core program; but we were not able to live up to the funding for the regional centers as part of our request.

Mr. PRICE. What part of this would go for headquarters funding, administrative expenses, that sort of thing?

At first glance, it appears that this funding proposal does give some priority to that sort of spending as opposed to the research itself out in these centers where a good deal of the work is actually going on.

Ms. JOSEPHSON. It is my understanding part of it goes to research at labs, not headquarters. It does not go to headquarters. This would be research done at the labs; correct?

Mr. THOMAS. Not really. Very little of the money from the National Undersea Research Program goes into NOAA. We put it pretty much in universities either through the centers or occasionally in a technology development grant to a principal investigator.

In terms of how much would go to salaries, at this program level, we certainly would have to cut back on staff so that, consistent with what it takes to administer a program of $2 million. Our current funding for staff is geared to administering the program at the current level of about $16 million.

So in answer to your question, I don't have the specific number at this level. It would be less than we are spending now.

Mr. **Price**. Well, it is going to be minimal support in any case, at least if this request is approved; but that further background would be helpful to us, I think as to the mix of activities that would be supported.

[The information follows:]

NATIONAL UNDERSEA RESEARCH PROGRAM COST BREAKDOWN

[Dollars in thousands]

	FY 1993	FY 1994
National Office Science Programs including Diving Safety and Physiology, Undersea Technology	$237.3	$374.0
Deep Submergence:		
ALVIN	364.8	614.9
Sea Cliff	140.1	0.0
NURP Centers:		
Hawaiian UnderseaResearch Laboratory	3,072.0	....
NY Bight Center at Rutgers	1,727.9	....
Univ. of Alaska	1,000.0	....
Univ. of Connecticut	2,478.0	....
Univ. of North Carolina	3,570.3	....
Caribbean Marine Research Center	2,009.7	....
Subtotal NURP Centers	13,857.9	0.0
Small Business (SBIR)	125.4	10.0
Administrative costs	1,272.7	1,039.1
Total NURP Program	15,998.0	2,038.0

Mr. **Price**. We are clearly going to have to take a good look at that.

CLIMATE AND GLOBAL CHANGE RESEARCH

Mr. Chairman, I have an additional question having to do with international leadership. Let me ask you briefly, it may need elaboration for the record.

You quote from the "Putting People First" document in your testimony, from the U.N. conference on environment and development. You say, "the U.S. must exert international leadership to advance our Nation's interest in a healthier global environment, a stable global climate and global biodiversity."

Could you briefly indicate how this is reflected in your budget request? I would be happy to have you elaborate that for the record.

[The information follows:]

Through its Climate and Global Change Program, NOAA joins the National Science Foundation and NASA as the primary sources of U.S. contributions to high-priority global-scale research programs through the World Climate Research Program (WCRP) and the International Geosphere-Biosphere Programme. If NOAA is unable to met its international obligations, it will seriously delay the answers to many policy-pressing questions related to climate and global change.

Given the international nature of the program and the high priority that USGCRP has placed on US programs that contribute to international research efforts, the majority of base funds as well as the requested "increase" of $23 million, which is only a $3 million increase over actual FY 1993 funding levels, contribute to major long-term international research endeavors that will provide policy relevant information. The $3 million increase will go to support the UNCED initiative for an International Research Institute for Climate Prediction.

The FY 1994 "increase" explicitly supports international research activities in support of the World Climate Research Programme (WCRP) and the International Geosphere-Biosphere Programme (IGBP), including:the Tropical Ocean and Global Atmosphere (TOGA) Program, the World Ocean Circulation Experiment (WOCE), the Joint Global Ocean Flux Studies (JGOFS) Programme, the International Global Atmospheric Chemistry(IGAC) Program, the Global Energy and Water Cycle Experiment (GEWEX), and Past Global Changes(PAGES). In addition, NOAA's program in ecosystem response contributes to the Global Ocean Ecosystems Dynamics (GLOBEC) Program of the Intergovernmental Oceanographic Commission.

NOAA's specific contributions at $70 million are:

ATMOSPHERIC CHEMISTRY
Integral part of the International Global Atmospheric Chemistry Program of WCRP and IGBP.

o NOAA and NASA co-chaired the Scientific Assessment of Stratospheric Ozone for the United Nations. In support of that effort, NOAA's Climate and Global Change Program continues to support establishment of ground-based global remote sensing stations which provide calibration for satellite sensors, detect stratospheric changes, including ozone depletion and greenhouse warming, and provide information to refine and improve global models.

o NOAA, NASA, and NSF undertake cooperative trace gas research as part of the International Global Atmospheric

Chemistry (IGAC) program, which is a core project of the IGBP and for which NOAA serves on the Steering Committee. The objectives of the trace gas studies were hammered out at international workshops in Canada and Australia.

THE ROLE OF THE OCEAN IN CLIMATE CHANGE AND RESPONSE OF MARINE ECOSYSTEMS

The Global Sea Level and Surface and Upper Ocean Observations are critical elements of WOCE and TOGA. Ocean Circulation and Biogeochemistry project supports WOCE projects in the Pacific and the Atlantic as well as the JGOFS. NOAA's Climate and Global Change Program provides the principal U.S.contribution to TOGA, one of WCRP's highest priorities. The basic Marine Ecosystem Response Program is integral to GLOBEC.

o Understanding the role of the ocean in climate change is one of the highest priorities in both the U.S. Global Change Research Program and the international research programs it supports. NOAA's contributions in the area of ocean observations, research, modelling and data management represent one-fourth of the U.S. contributions to high-priority international ocean research programs under IGBP and WCRP.

o In support of TOGA and the WCRP's World Ocean Circulation Experiment (WOCE), NOAA's Climate and Global Change Program is establishing a Global Sea Level Monitoring Program which combines state-of-the-art ground-based water level measurement system satellite systems to provide a worldwide network to monitor changes in absolute sea level.

o NOAA's leadership remains vital to the successful implementation of the proposed Global Ocean Observing System called for in recent international negotiations, including the Ocean chapter of UNCED's Agenda 21 and the Global Climate Observing System (GCOS) called for at recent Economic Summits. Observing systems supported by the Surface and Upper Ocean Observation project are a vital contribution to U.S. support of TOGA and WOCE.

o Through WCRP's Tropical Ocean-Global Atmosphere Program (TOGA), for which NOAA has both national and international leadership responsibilities, the Climate and Global Change Program has initiated the first, basin-scale ocean-atmosphere observing system ever attempted. The TOGA Atmosphere-Ocean (TAO) observing system provides the eighteen nations participating in TOGA with critical data on oceanic and surface wind conditions associated with the ENSO phenomenon.

NOAA's leadership of the international TOGA Program provides the programmatic model for the implementation of large-scale, multinational and multidisciplinary research programs.

- The Atlantic Climate Change project (ACCP) within NOAA's Climate and Global Change Program represents the principal U.S. Atlantic Ocean contribution to WCRP's World Ocean Circulation Experiment . Ocean circulation patterns driven by processes in the North Atlantic are believed to be a principal oceanic source of influence on climate change on timescales of decades and longer. Through ACCP, NOAA is working with scientists from Europe and elements of the former Soviet Union to improve our understanding of this phenomenon.

- NOAA's Ocean Carbon project is an integral part of the international biologically-focused JGOFS project and the physical climate investigations of WOCE and TOGA.

- The Marine Ecosystem Response program supports US.GLOBEC (Global Ecosystem Dynamics), part of an emerging international GLOBEC program of IOC/SCOR (Intergovernmental Oceanographic Commission/Scientific Committee on Oceanic Research). The International GLOBEC steering group will soon recommend that International GLOBEC be named to fill an existing gap in projects initially proposed in the International Geosphere-Biosphere Programme (IGBP). In particular, research in the northwestern Atlantic is organized in conjunction with the international Cod and Climate Change program of the International Council for Exploration of the Sea (ICES) and compliment the Canadian Ocean Production Enhancement Network (OPEN) and Northern Cod Stock Program (NCSP).

CLOUDS, ENERGY AND LAND SURFACE HYDROLOGY
Integral part of GEWEX of WCRP.

- Through the Climate and Global Change Program, NOAA has lead-agency responsibility for implementation of the first Continental-Scale International Project under the WCRP's Global Energy and Water Cycle Experiment (GEWEX) Program. GCIP, as this experiment is called, will bring together the talents of scientists from around the world to observe, study, diagnose and model elements of the water and energy cycle in a major, continental-scale watershed -- the Mississippi Basin. Combined with the other elements of the GEWEX Program, GCIP will provide a major step forward in scientific efforts to understand the role of clouds and water vapor in climate change -- one of the highest priorities in both national and international climate research programs.

HUMAN DIMENSIONS OF GLOBAL CHANGE
Supports the Human Dimensions of Global Environmental

Change program, under the auspices of the ICSU

- The International Council of Scientific Unions is developing a program on The Human Dimensions of Global Environmental Change Program (HDGECP) to complement the physical and natural science programs of IGBP and WCRP. Although detail planning of HDGECP is still underway, the Climate and Global Change projects in Human Dimensions and, potentially economics, are expected to be contributing programs.

DOCUMENTING CLIMATE CHANGE

One of the principal U.S. contributions to international global change research and assessment activities involves a commitment to provide for the open exchange of global change data and information to scientists and researchers worldwide. As the agency with the long-term responsibility -- and much of the required capability -- for environmental (particularly ocean-atmosphere) data and information management, NOAA is expected to continue to provide leadership for interagency efforts to fulfill this U.S. commitment.

International policy formulation relies to a great extent on the maintenance of an effective program to observe and document changes in the global environment. NOAA's operational weather satellite and ground-based, ocean-atmosphere observing programs provide an essential complement to NASA's Mission to Planet Earth and the space-borne Earth observation missions of the other countries participating on the international Committee on Earth Observations Satellites (CEOS). NOAA's observation and data management efforts will form much of the core of the U.S. contributions to documenting climate change prior to the launch of new observing systems like NASA's EOS program.

- NOAA is a significant participant in established data projects,such as the International Satellite Cloud Climatology Project (ISCCP) and the Global Precipitation Climatology Project (GPCP), which are underpinning the initial efforts in GEWEX.

- NOAA supports the data management efforts of IGBP, WOCE and the Network for the Detection of Stratospheric Change.

- All activities of the NOAA Paleoclimatology program element are performed in support the PAGES (Past Global Changes) project of the IGBP. Primarily NOAA supports work in the high resolution, "Stream 1" activities that were identified as the highest priority in 1992 PAGES planning meetings.

MODELING, PREDICTION AND ANALYSIS
Integral part of WCRP and IGBP.

- o Operational ocean modeling and model-based flux activities are coordinated with European Community Medium-range Weather forecasting(ECMWF),the U.K. Meteorological Office and the Max Planck Institute for Meteorology in Germany.

- o Through the international Tropical Ocean-Global Atmosphere (TOGA) Program which NOAA leads on behalf of the United States, recent scientific advances in observing, understanding, and modelling the El Nino-Southern Oscillation (ENSO) phenomenon now provide the nations of the world with a remarkable opportunity to apply new capabilities and research results to practical problems of economics and development. Recognizing that the ENSO cycle dominates year-to-year (interannual) climate fluctuations for much of the world, NOAA (on behalf of the U.S.) is leading an international effort to establish an international institution to accelerate progress in interannual climate prediction. Such an International Research Institute for Climate Prediction would: (i) accelerate research focused on climate variability on seasonal to interannual timescales; and (ii) conduct routine experimental forecasts of such climate variability and provide those forecasts to the appropriate agencies in participating countries. The initial focus will be on those regions of the world where significant socio-economic benefits can be immediately realized. This initiative represents a unique opportunity for scientists from developing countries to work directly with colleagues from more developed countries to provide timely climate information which directly supports economic and policy decisions in their respective societies.

- o NOAA's Modeling and Diagnostics Program supports the IGBP's Global Analysis, Interpretation and Modelling(GAIM) efforts to synthesize a fundamental quantitative understanding of the global physical, chemical, and biological interactions in the Earth system during the last 100,000 years and asses possible effects of future natural and or human-induced changes.

Like the U.S. Global Change Research Program (USGCRP) which it supports, NOAA's Climate and Global Change Program recognizes that international cooperation and scientific collaboration is essential if the nations of the world are to effectively respond to the significant social, economic, and environmental challenges posed by changes in the global environment (e.g., seasonal climate variability, climate change and ozone depletion). The following items identify some of the most significant international benefits associated with NOAA's leadership in climate and global change research.

CONTRIBUTING TO INTERNATIONAL SCIENTIFIC INFRASTRUCTURE

- Through the international Tropical Ocean-Global Atmosphere (TOGA) Program which NOAA leads on behalf of the United States, recent scientific advances in observing, understanding, and modelling the El Nino-Southern Oscillation (ENSO) phenomenon now provide the nations of the world with a remarkable opportunity to apply new capabilities and research results to practical problems of economics and development. Recognizing that the ENSO cycle dominates year-to-year (interannual) climate fluctuations for much of the world, NOAA (on behalf of the U.S.) is leading an international effort to establish an international institution to accelerate progress in interannual climate prediction. Such an International Research Institute for Climate Prediction would: (i) accelerate research focused on climate variability on seasonal to interannual timescales; and (ii) conduct routine experimental forecasts of such climate variability and provide those forecasts to the appropriate agencies in participating countries. The initial focus will be on those regions of the world where significant socio-economic benefits can be immediately realized. This initiative represents a unique opportunity for scientists from developing countries to work directly with colleagues from more developed countries to provide timely climate information which directly supports economic and policy decisions in their respective societies.

- In May 1992, the United States and ten other nations formally agreed to establish the Inter-American Institute for Global Change Research (IAI). An outgrowth of the 1990 White House Conference on Science and Economics Research Related to Global Change, the IAI represents the first of a suite of three regional research institutes for global change proposed by the United States to expand the international scientific infrastructure for developing countries. These institutes -- one in the Western Hemisphere (IAI), one for Europe and Africa, and a third in the Far

East/Southwest Pacific -- will provide an institutional capability to link the interests and capabilities of the developed and developing world in addressing the regional scientific and economic issues associated with changes in the global environment. Because climate change on all timescales represents a central theme for the IAI, the Director of NOAA's Climate and Global Change Program serves as the U.S. representative to the negotiations and development activities. He is expected to serve as the U.S. focus for subsequent efforts to develop a scientific implementation plan for the IAI.

PARTICIPATION IN INTERNATIONAL POLICY FORMULATION

o Scientific expertise, data and information products supported by NOAA's Climate and Global Change Program continue to provide vital contributions to international global change negotiations such as meetings of the International Negotiating Committee (INC) for the Framework Convention on Climate Change and the preparatory committee meetings for the U.N. Conference on Environment and Development (UNCED). Not only were NOAA scientists active participants in the negotiations on the part of the United States, the results of global change research conducted by NOAA laboratories and data centers provided much of the information on climate observations and modelling represented in the Scientific Assessment (Working Group I) of the Intergovernmental Panel on Climate Change (IPCC).

o One of the principal U.S. contributions to international global change research and assessment activities involves a commitment to provide for the open exchange of global change data and information to scientists and researchers worldwide. As the agency with the long-term responsibility -- and much of the required capability -- for environmental (particularly ocean-atmosphere) data and information management, NOAA is expected to continue to provide leadership for interagency efforts to fulfill this U.S. commitment.

o International policy formulation relies to a great extent on the maintenance of an effective program to observe and document changes in the global environment. NOAA's operational weather satellite and ground-based, ocean-atmosphere observing programs provide an essential complement to NASA's Mission to Planet Earth and the space-borne Earth observation missions of the other countries participating on the international Committee on Earth Observations Satellites (CEOS). NOAA's observation and data management efforts will form much of the core of the U.S. contributions to documenting climate change prior to the launch of new observing systems like NASA's EOS program.

NOAA is responsible for the U.S. contribution to the

World Weather Watch. This system of observations and weather forecasts provides a principal record of long-term climate change.

- NOAA and NASA co-chaired the Scientific Assessment of Stratospheric Ozone for the United Nations. In support of that effort, NOAA's Climate and Global Change Program continues to support establishment of ground-based global remote sensing stations which provide calibration for satellite sensors, detect stratospheric changes, including ozone depletion and greenhouse warming, and provide information to refine and improve global models.

SUPPORT FOR INTERNATIONAL RESEARCH PROGRAMS

- Through the Climate and Global Change Program, NOAA has lead-agency responsibility for implementation of the first Continental-Scale International Project under the WCRP's Global Energy and Water Cycle Experiment (GEWEX) Program. GCIP, as this experiment is called, will bring together the talents of scientists from around the world to observe, study, diagnose and model elements of the water and energy cycle in a major, continental-scale watershed -- the Mississippi Basin. Combined with the other elements of the GEWEX Program, GCIP will provide a major step forward in scientific efforts to understand the role of clouds and water vapor in climate change -- one of the highest priorities in both national and international climate research programs.

- The Climate and Global Change Program provides the principal source of resources and technical/scientific expertise required to sustain a number of critical bilateral research programs between the U.S. and 34 other nations, including: Peoples Republic of China, Japan, Brazil, Indonesia, Italy, Republics of the former Soviet Union, India, Australia, and France. These agreements provide the U.S. and the other participating countries with the opportunity to combine data sets and intellectual and fiscal resources in collaborative efforts to understand and predict global environment processes with significant social and economic implications.

Mr. PRICE. It is important to know how these broad international objectives are mirrored in this new budget request and how you plan to coordinate NOAA's work with that of our allies. What is going on in other countries?

Ms. JOSEPHSON. Let me ask Mike Hall to speak in more detail about what is happening in the global change area. In general, the issues NOAA works on, weather, climate, ocean, don't obviously respect international boundaries. International activities are woven into everything we do. There is not a specific request for additional resources for international activities.

What there is within NOAA is continuing effort to maintain U.S. international leadership in an area of the environment which is also becoming much higher on the international agenda, to wit, implementation activities from that.

But we are continuing to work with the World Meteorological Organization; participating in major scientific experiments like TOGA COARE. Our base programs have continuing interchange of scientific activities, scientific data, scientific research to support our missions.

If Mike would speak specifically about what we are doing in global change that will give you an example of the kind of things we are doing. We will then respond more fully for the record.

Mr. PRICE. Particularly in ways this budget anticipates changes or new activities.

Mr. HALL. Congressman, I am Mike Hall from NOAA's Office of Global Programs.

The kind of problems you described require international cooperation, for which many we are in serious negotiation now, require a really vigorous underpinning of research information, research into processes of greenhouse gases in the atmosphere, the whole spectrum of human effects on stratospheric ozone, problems of regional drought in the U.S., the Midwest, to the Sahel and so forth.

The NOAA effort in support of these kinds of activities should be characterized as that of generating a research base. We do that in cooperation with several other agencies, as you know, through the Committee on Earth and Environmental Sciences. I would say this: NOAA's effort at what is characterized as a research problem goes beyond what you typically think of as research in that we are trying to learn how to predict precipitation patterns over North America, how to predict temperature and precipitation patterns associated with El Nino events and doing it in a way not focusing exclusively on United States territory but rather in the way that allows us to do the job on United States territory, but trains other countries in the research, builds scientific infrastructure in other countries and in fact sees application of, for example, El Nino forecast information in those formations.

What we are doing is basic research in cooperation with other agencies, but in a way which generates a true feeling of partnership on the part of those other nations that must ultimately join us in the various climate treaties that are being considered or negotiated.

Ms. JOSEPHSON. I have been reminded we do have one specific item within the Global Change request of $23 million. $4 million is for the International Research Institute for Climate Prediction which is one of the implementation activities out of UNCED.

So we have a specific request for a new activity in the Global Change area.

Mr. PRICE. If you will furnish a further account for the record, this is very helpful.

Thank you, Mr. Chairman.

[The information follows:]

Of the $20 million transferred from the State Department to NOAA in FY 1993, $2 million is being used to fund the IRICP pilot project. The FY 1994 President's budget requests an additional $4 million as the U.S. contribution to formally establish a permanent facility. The site for the permanent facility will be selected in the coming months based on the set of objective criteria outlined in the enclosed Proposal.

The request of $4 million will allow NOAA, together with its domestic and international partners, to take advantage of recent scientific advances in observing, understanding, and modeling the El Nino-Southern Oscillation (ENSO) cycle. The nations of the world have a remarkable opportunity to apply new capabilities and climate and global change research results to practical problems of economics and development. Climate variations associated with ENSO often have widespread and devastating impacts that range from the Indian monsoon to the intense storms in the Pacific and from the viability of commercial fisheries off the coast of South America to the occurrence of short-term regional drought in many parts of the world, including continental USA. Furthermore, the evidence suggests that an ENSO warm phase leads to an increase in severity and frequency of tropical storms affecting the American tropical Pacific territories.

The predictive models, developed by this research (NOAA has the U.S. lead) have provided useful predictions up to several seasons in advance of an incipient ENSO event. To capitalize on the scientific progress made in short-term climate predictability, it is necessary to have a critical mass of researchers with an expertise in coupled ocean-atmosphere model development, data assimilation, forecast evaluation and applications working together under one roof with adequate computational and communications facilities.

The U.S. and with partner nations have discussed extensively during the past two years the establishment of an institution to accelerate progress in interannual climate prediction. In the U.S., NOAA has the lead to implement a pilot project in FY 1993 to demonstrate the operating concepts embodied in **International Research Institute for Climate Prediction: A Proposal**. This initiative was announced in the UNCED document, U.S. Actions for A Better Environment: A Sustained Commitment.

The Institute is designed to (i) accelerate research focussed on climate variability on seasonal to interannual time scales; (ii) conduct routine experimental forecasts of such climate variability and provide these to the appropriate agencies in participating countries; and (iii) assist participating countries in effectively using the forecasts to meet their particular social and economic needs. The initial focus will be on those regions of the world where significant socio-economic benefit can be immediately realized.

In FY 1994 NOAA proposes to expand the efforts initiated in FY 1993 to implement the UNCED initiative calling for this International Research Institute for Climate Prediction. The initial steps involve (i) establishing multinational institutional arrangements; (ii) focus on multi-funding mechanisms to support the center and the design of training programs; and (iii) use existing modeling technology to provide routine diagnostics and predictions. This initial forecasting focus will provide a stimulus to build better models and techniques.

NOAA, together with other Federal agencies and international partners, will undertake the following activities: (i) lead the formulation of an international plan for the IRICP participants which would include relevant details such as working relationships between the core facility, regional application centers, and national forecasting centers (e.g. NMC); (ii) complete multinational dialogue with potential international sponsors that would lead to the establishment of the core facility; and (iii) initiate plans for regional application centers around the world; expand training opportunities, especially for scientists from developing countries; and accelerate model development and analysis. With funds identified in this request, NOAA is expected to provide most of the U.S. FY 1994 contribution for IRICP for the following reasons: (i) NOAA is the only Federal agency which mission is to provide prediction information products, such as the ones proposed, and (ii) NOAA has the US lead on the initial ENSO work upon which this initiative is based.

Legal authority for NOAA support of an IRICP is given in 15 U.S.C. Section 313 which gives NOAA the responsibility for forecasting weather and climate, and more recently in P.L. 101-606, the Global Change Research Act of 1990, in which NOAA is designated as one of the agencies charged with planning and coordinating research on global change. Section 104 of P.L. 101-606 describes requirements of the National Global Change Research Plan which includes setting forth the role of each Federal agency and department in implementing the Plan. The most recent version of the Plan in FY 1991 indicates NOAA's role in establishing a center for prediction on interannual timescales based largely on ENSO-related predictions.

The IRICP, when established, will accelerate the understanding and prediction of ENSO-related climate variations such as the occurrence of short-term regional droughts (e.g., mid-west drought of 1988) and floods worldwide (e.g., winter floods in Texas and California, 1992-3), the frequency, severity, and paths of storms in the Pacific (e.g. typhoon Iniki in Hawaii in 1992), and the onset and intensity of monsoons (e.g., U.S. southwest).

FY 1994 OMB REQUEST

Mr. SMITH. You have a request now before the committee for $1,862,749,000. That includes the $243 million in the investment package. What was your total request to OMB?

Mr. MOXAM. Our total request to OMB was $2,161,000,000.

Mr. SMITH. $2,161,000,000.

For the record, will you break that down as to these various categories and what was in the 2.161 that is not included in the 1.862?

Mr. MOXAM. Yes, Mr. Chairman.

[The information follows:]

The $2.16 billion request to OMB represents total NOAA Budget Authority, while the $1.86 billion President's Request represents the total NOAA Appropriation. The difference between the OMB request and President's request (decrease of $233 million) represents the Administration's priorities given the fiscal constraints of FY 1994. The President's request also contains a net decrease from the OMB request of $61 million in Adjustments to Base due to the implementation of Executive Orders requiring FTE and Administrative Savings, elimination of the FY 1994 Pay Raise, and reversals of $5.1 million in Emergency Supplemental Funding (P.L. 102-368) and $17.5 million in Damage Assessment and Restoration Revolving Fund Transfer.

The following chart shows the difference between the two requests by Line Office.

FY 1994 BUDGET REQUEST TO OMB AND THE CONGRESS

(dollars in thousands)

	FY 1994 Budget		
	Request to OMB	President's Request	Difference
NATIONAL OCEAN SERVICE			
Mapping, Charting, and Geodesy			
Mapping and Charting	34,924	29,738	(5,186)
Geodesy	17,940	18,402	462
Total, Mapping, Charting, and Geodesy	52,864	48,140	(4,724)
Observation and Assessment			
Observation and Prediction	17,992	17,748	(244)
Estuarine and Coastal Assessment	29,350	20,268	(9,082)
Coastal Ocean Science	17,092	11,874	(5,218)
Total, Observation and Assessment	64,434	49,890	(14,544)
Ocean and Coastal Management			
Coastal Management	44,946	41,955	(2,991)
Ocean Management	9,602	8,841	(761)
Total, Ocean and Coastal Management	54,548	50,796	(3,752)
TOTAL, NOS	171,846	148,826	(23,020)
NATIONAL MARINE FISHERIES SERVICE			
Information Collection & Analyses			
Resource Information	82,154	86,392	4,238
Fishery Industry Information	17,080	18,926	1,846
Information Analyses & Dissemination	27,145	23,562	(3,583)
Total, Info., Collection, & Analyses	126,379	128,880	2,501
Conservation and Management Operations			
Fisheries Management Program	57,326	36,200	(21,126)
Protected Species Management	23,898	16,507	(7,391)
Habitat Conservation	17,049	6,306	(10,743)
Enforcement and Surveillance	13,060	12,637	(423)
Total, Conservation and Mgmt. Oper.	111,333	71,650	(39,683)
State and Industry Assistance Programs			
Grants to States	5,825	5,559	(266)
Fisheries Development Program	19,364	17,954	(1,410)
Total, State & Industry Assist. Progs.	25,189	23,513	(1,676)
TOTAL, NMFS	262,901	224,043	(38,858)

	FY 1994 Budget		
	Request to OMB	President's Request	Difference
OCEANIC AND ATMOSPHERIC RESEARCH:			
Climate and Air Quality Research			
Interannual & Seasonal Climate Research	8,487	7,945	(542)
Long–Term Climate & Air Quality Research	45,677	31,075	(14,602)
Climate and Global Change	84,573	69,902	(14,671)
Total, Climate and Air Quality Research	138,737	108,922	(29,815)
Atmospheric Programs			
Weather Research	46,263	36,735	(9,528)
Solar–Terrestrial Services and Research	6,717	5,368	(1,349)
Total, Atmospheric Programs	52,980	42,103	(10,877)
Ocean and Great Lakes Programs			
Marine Prediction Research	14,644	17,247	2,603
Sea Grant	42,629	39,787	(2,842)
Undersea Research Program	0	6,038	6,038
Total, Ocean and Great Lakes Programs	57,273	63,072	5,799
TOTAL, OAR	248,990	214,097	(34,893)
NATIONAL WEATHER SERVICE			
Operations and Research			
Local Warnings and Forecasts	401,819	440,678	38,859
Central Forecast Guidance	30,586	30,034	(552)
Atmospheric and Hydrological Research	2,535	2,544	9
Total, Operations and Research	434,940	473,256	38,316
Systems Acquisition			
Public Warning and Forecast Systems	205,555	199,844	(5,711)
TOTAL, NWS	640,495	673,100	32,605

	FY 1994 Budget		
	Request to OMB	President's Request	Difference
NATIONAL ENVIRONMENTAL AND SATELLITE, DATA, AND INFORMATION SERVICE:			
Satellite Observing Systems			
Polar Spacecraft and Launching	215,075	162,099	(52,976)
Geostationary Spacecraft and Launching	184,181	182,746	(1,435)
Environmental Observing Services	55,772	50,284	(5,488)
Total, Satellite Observing Systems	455,028	395,129	(59,899)
Environmental Data Management Systems	41,227	34,068	(7,159)
TOTAL, NESDIS	496,255	429,197	(67,058)
PROGRAM SUPPORT			
Administration and Services			
Executive Direction And Administration	30,230	26,369	(3,861)
Central Administrative Support	46,411	39,244	(7,167)
Retired Pay Commissioned Officers	8,258	7,706	(552)
Total, Administration and Services	84,899	73,319	(11,580)
Marine Services	71,056	62,295	(8,761)
Aircraft Services	10,119	9,495	(624)
TOTAL, PS	166,074	145,109	(20,965)
TOTAL ORF	1,986,561	1,834,372	(152,189)
ORF Financing:			
Deobligations	(12,000)	(13,800)	(1,800)
BUDGET AUTHORITY, ORF	1,974,561	1,820,572	(150,389)
Financing from proposed transfers:			
Promote and develop fishery products	(61,400)	(61,400)	0
Damage Assessment	(2,000)	(1,500)	500
Emergency Supplemental Transfer			
APPROPRIATION, ORF	1,911,161	1,757,672	(149,889)

	FY 1994 Budget		
	Request to OMB	President's Request	Difference
OTHER ACCOUNTS: OBLIGATIONS & BA			
CONSTRUCTION	81,221	79,063	(2,158)
FLEET MODERNIZATION, SHIPBUILDING AND CONVERSION	58,457	23,064	(35,393)
FISHING VESSEL OBLIGATION GUARANTEE	0	0	0
GOES CONTINGENCY FUND	0	0	0
FISHERIES PROMOTIONAL FUND	0	0	0
PROMOTE AND DEVELOP FISHERIES PRODUCTS	0	0	0
FISHING VESSEL AND GEAR DAMAGE FUND	1,404	1,335	(69)
FISHERMEN'S CONTINGENCY FUND	1,102	1,051	(51)
FOREIGN FISHING OBSERVER FUND	612	564	(48)
COASTAL ZONE MANAGEMENT FUND	0	0	0
DAMAGE ASSESSMENT	0	(1,500)	(1,500)
FEDERAL SHIP FINANCING FUND, ADMINISTRATI	7,369	0	(7,369)
AVIATION WEATHER SERVICES TRUST FUND	36,672	0	(36,672)
TOTAL NET B.A., NOAA	2,161,398	1,924,149	(233,649)
Financing from proposed transfers:			
To Promote and develop fishery products	61,400	61,400	0
From Promote and develop fishery products	(61,400)	(61,400)	0
Damage Assessment	2,000	1,500	(500)
Emergency Supplemental Transfer			
TOTAL NOAA APPROPRIATION	2,099,998	1,862,749	(233,649)

Mr. SMITH of Iowa. I think under the circumstances, I think we will wait until the under secretary has had a little opportunity to get their feet on the ground. We will submit further questions for the record.

Thank you.

Ms. JOSEPHSON. Thank you.

[The following questions were submitted to be answered for the record:]

QUESTIONS FROM CONGRESSMAN SMITH

Status of Authorizations

QUESTION:

Last year, a major NOAA authorization bill passed the Congress at the end of the session (P.L. 102-567) Some of the items included in that bill were authorized only through the end of fiscal year 1993; others have longer authorization periods.

a. How many of these programs require reauthorization this year? Please provide specific details for the record.

b. Has the Administration submitted legislative proposals on each of these? If not, when will these be submitted?

ANSWER:

a. Several public laws covering the budget authority requested in the FY 1994 budget need reauthorization in the 1st session of the 103rd Congress. These authorizing acts and the appropriate dollar amounts are shown on the chart below.

(Dollars in thousands)

	1993 Enacted	1994 Request
Operations, research, & facilities		
NOAA Authorization Act of 1992, P.L. 102-567, exp. 9/93.	1,251,133	1,452,324
National Marine Fisheries Service		
Endangered Species Act of 1973, P.L. 93-205, exp. 9/92.	8,821	8,405
Magnuson Fisheries Conservation and Management Act, P.L. 101-627, exp. 9/93.	96,751	101,277
Marine Mammal Protection Act P.L. 100-711, exp. 9/93.	20,558	21,101
NOAA Marine Fisheries Program Authorization Act, P.L. 102-567, exp. 9/93.	84,281	87,701
Oceanic and Atmospheric Research		
Climate Program, P.L. 102-567, exp. 9/93.	46,997	69,902
Other Accounts		
Construction, P.L. 102-567,exp. 9/93.	94,500	79,063

b. No, NOAA plans to submit legislation proposals in the near future.

QUESTION:

Are there any pending or recently enacted authorization bills for which funding is not requested in your budget? Please provide details for the record.

ANSWER:

NOAA has not requested additonal funding for the following titles within the NOAA Authorization Act of 1992 (P.L. 102-567):

Title II
Sec. 202(c) - Large Lakes Research

Title III
Sec. 308 - National Shellfish Indicator Program
Sec. 312 - Demonstration Project for Seafood Handling Training and Education

Obligation Status

QUESTION:

The conference report accompanying the FY 1993 appropriations act required NOAA to submit quarterly operating plans to the Committee. We received the first quarter report (which did not provide much detail or explanation of any problems), but have not yet received a report on the second quarter obligations. What is the status of that report?

ANSWER:

NOAA will submit this report by mid-May 1993.

QUESTION:

At the time the first report was prepared, a number of items designated in the conference report had not yet been obligated. What is the reason for the delay in obligations?

a. Are you making progress in getting these funds out in a timely manner?

b. For the record, please provide a list of those line item earmarks in NOAA which have not been obligated to date in FY 1993.

c. Are there any FY 1992 funds for add-ons which have not been obligated to date? Please provide details for the record.

ANSWER:

a. Yes, NOAA is making progress in obligating the funds.

b. The following list shows FY 1993 line item earmarks with external expenditures that have not been completely obligated:

Partially Obligated:

Stellar Sea Lion Recovery
Alaska Eskimo Whaling Commission
Sea Fishermen's Association
Alaska Groundfish Monitoring
Columbia River Endangered Salmon Stocks Study
Federal/State Weather Modernization Grants
Zebra Mussel
Great Lakes Near Shore Research
Upper New England Marine Research
Regional Climate Centers
Real Property Maintenance Initiative
Columbia River Facilities
Kodiak Requirements Study

Not Obligated:

Land Information System
SC Cooperative Geodetic Survey
USC School of Public Health/Baruch Institute
Institute for Marine Engineering
New York Harbor Water Quality Model
Marin Protective Structures
Maui Algal Bloom
MARFIN South Atlantic Phase
Gulf of Maine Harbor Porpoise Recovery Team
Harbor Seal Research
Southeastern Storm Research
Marine Electronics Agenda
New England Science Center
Stoneville, MS ADP Equipment
NOAA Research Facilities
Newport Marine Science Center
University of New Hampshire Biological Sciences Center
Boston Biotechnology Innovation Center
Mystic Maritime Center
Beaufort, NC Laboratory
NMFS Charleston Fisheries Lab
Multispecies Aquaculture Center

c. A total of $4.4 million of FY 1992 funds for add-ons have not been obligated to date. The following list provides details on delays in obligation.

Funds scheduled to be awarded in 3rd and 4th Quarter

- Gulf of Maine Groundfish
- National Indicator Study
- Marine Electronic Agenda

Grant requires modification

- Pacific Tuna/Billfish Management

Grant held up by General Counsel

- Key Largo Tropical Marine Research Facility
- Hawaii Stock Management

NOAA Organization

QUESTION:

Looking at your organization chart, I note that there is not only an Under Secretary for Oceans and Atmosphere, but an Assistant Secretary as well as a Deputy Under Secretary. What is the split of responsibilities between these positions, and how do you avoid confusion?

ANSWER:

The Under Secretary for Oceans and Atmosphere who is appointed by the President by and with the advice and consent of the Senate, manages and directs the overall activity of NOAA.

The Assistant Secretary for Oceans and Atmosphere, who is appointed by the President by and with the advice and consent of the Senate, concentrates his/her efforts in external affairs - public, constituent, congressional , and intergovernmental.

The Deputy Under Secretary serves as a key advisor to the Under Secretary and to the Assistant Secretary on all program and policy issues, and shall be responsible for ensuring the timely and effective implementation of NOAA policies and objectives.

QUESTION:

You also have a Chief Scientist position in NOAA. How does this position relate to the three previously mentioned? Does the Chief Scientist have any management responsibilities?

ANSWER:

The Chief Scientist of NOAA, who is appointed by the President by and with the advice and consent of the Senate, serves as the principal scientific advisor to the Under Secretary.

QUESTION:

What is the current status of Presidential appointments for NOAA positions? Have nominations been made, and have confirmation hearings been scheduled yet?

ANSWER:

Nominations have been made for the Under Secretary (Dr. James Baker), Assistant Secretary (Douglas Hall), and for the Chief Scientist (Dr. Kathryn Sullivan) positions. The Deputy Under Secretary position is not subject to Senate confirmation. NOAA's confirmation hearings are unscheduled pending the confirmation hearing for the Deputy Secretary for Commerce.

QUESTION:

Other than confirmed positions, are there any other key vacancies in NOAA at this time?

ANSWER:

Other NOAA key positions that are vacant at this time follow:

- Deputy Assistant Secretary
- Assistant Administrator for National Marine Fisheries Service
- Assistant Administrator for National Environmental Satellite, Data and Information Service
- Director, Office of Ocean and Coastal Resource Management
- General Counsel
- Director, External Affairs
- Deputy Assistant Secretary for International Affairs

NATIONAL OCEAN SERVICE

Printing Function

QUESTION:

You are requesting a decrease of 31 positions and $2.5 million for moving the printing function of the National Ocean Service to a contractor. Is this the total amount devoted to the NOS printing function?

ANSWER:

NOS currently spends approx. $3.8M on the in-house printing of aeronautical and nautical charts, excluding rental costs in the Hoover building which are in excess of $2M. Some of the funds would be needed for contracting costs. (NOS also spends approx. $4.6M on contracted printing that would be unaffected by this proposed decrease.)

QUESTION:

Where is this function located? How many people will actually be affected by this proposal, and will a reduction in force (RIF) be required?

ANSWER:

This function is located in the basement of the Herbert C. Hoover Building, 14th and Constitution Avenue, N.W., Washington, D.C. 20230. A downsizing will be required. The actual number of employees involved will depend on attrition.

QUESTION:

Have you requested proposals for this printing contract? What amount will be required for the printing contract in FY 94?

ANSWER:

No proposals have been requested because the contracting proposal must first be approved by the congressional Joint Committee on Printing (JCP). JCP regulations require their prior authorization to move or close a printing plant. NOAA is also exploring opportunities with the Department of Interior, the savings possible from consolidating their printing operation with that of NOAA.

Coastal Ocean Science

QUESTION:

You are requesting level funding for the Coastal Ocean Science activity in FY 1994 -- a program which had been a priority under the previous Administration. Please describe for the Committee the ongoing efforts and accomplishments under the Coastal Ocean Program.

Why is this program level funded for FY 1994 while other Congressional priority programs are completely eliminated?

ANSWER:

In 1990, NOAA undertook an Agency-wide program development process to coordinate application of all of NOAA's capabilities toward improving the scientific basis for coastal environmental decision-making. NOAA undertook this effort in recognition of the importance of coastal issues and of the need to develop inter-disciplinary approaches to coastal research and policy needs of the Agency and the Nation through strong partnerships of NOAA coastal programs and academia. The result was a NOAA initiative to the Administration and Congress to enhance its coastal mission capabilities through a cross-cutting Coastal Ocean Program (COP). NOAA has assigned critical responsibilities to the COP required to support its science and service missions in the coastal ocean. The new Administration recognizes the importance of the COP's research and development function to the successful conduct of NOAA's broad coastal missions, and remains committed to this effort to improve the scientific basis of coastal environmental policy development and decision-making. The program terminations included in the President's budget request were determined by criteria, (such as the extent of geographical focus), developed during the course of the Administration's review of the President's FY 1994 budget request.

Ongoing COP Activities and Accomplishments. NOAA's goal for its Coastal Ocean Program (COP) is to improve prediction of human influence on the coastal environment within the context of natural variability, and to provide the highest quality science in time for important coastal policy decisions. The four major areas of COP efforts are:

- To improve our understanding and prediction of impacts on **Coastal Environmental Quality**
- To improve our understanding and prediction of factors which influence **Fisheries Productivity**
- To improve our prediction and warnings of **Coastal Hazards**
- To improve NOAA's **Information Delivery** in support of coastal environmental decision-making

Coastal Environmental Quality. This area of effort addresses improvement of our understanding of the factors that impact coastal environmental quality. The Coastal Ocean Program is conducting research, survey, and modeling efforts related to point and non-point inputs of nutrients and toxic contamination in marine environments to determine their effects on environmental degradation of coastal waters and living marine resource populations.

Ongoing projects and activities in this area include:

- **Toxic Chemical Contaminant Intensive Bioeffects Surveys:** Initiated in FY 1990, this activity consists of a number of long-term site-specific studies to provide estimates of the magnitude and extent of appreciable ecological damage to living marine resources as a result of exposure to anthropogenic toxic materials. Included are analyses to determine indicators of contaminant exposure and bioeffects in fishes and invertebrates, and related chemical analyses of contaminant levels in sediments and pore water. The goal is to provide an overall National assessment. Areas currently under study include Tampa Bay, Hudson-Raritan Estuary, Boston Harbor, and Southern California bays and estuaries (FY 1992) (with the Western Florida Panhandle and South Carolina estuaries beginning in FY 1993).

- **Uptake and Bioaccumulation of Toxic Materials:** Initiated in 1993, this project consists of field studies in conjunction with the intensive bioeffect surveys in which contaminant levels in fish and shellfish will be determined and related to biological and biochemical responses. In addition, physical factors, such as salinity and temperature, that may influence the bioavailability of contaminants are measured.

- **Bioindicator Development:** This effort focuses on physiological and biochemical effects (bioindicators) that have a potential to enhance our ability to demonstrate links between contaminant exposure and serious biological effects, and which can provide a meaningful context for environmental monitoring results.

- **Nutrient Enhanced Coastal Ocean Productivity, Mississippi/Atchafalaya Rivers (NECOP-MAR):** This project conducts research which addresses the basic premise that anthropogenic nutrient inputs have enhanced coastal ocean productivity, with subsequent impacts on coastal ocean water quality and living resource yields. The Louisiana Shelf, which receives outflow from the Mississippi River Delta and Atchafalaya River was selected as the study area. The five major research areas are: a retrospective analysis of the sedimentary record of recent history of the ecosystem, productivity of the Shelf/plume system, hypoxia research, research modeling, and carbon flux.

- **Atmospheric Nutrient Inputs to Coastal Areas (ANICA):** This project develops methods for assessing the importance of atmospheric nutrient input to coastal waters, using the Chesapeake Bay as a first target of importance, in order to determine to what extent atmospheric deposition contributes to nutrient enrichment of these waters.

Accomplishments in this Coastal Environmental Quality area of effort include:

- Sponsored long-term research in selected estuaries around the country where toxic contaminant levels are thought to be having an impact on natural resources. Assessment reports describing what is already known about the levels, trends, and impacts of contaminants in sediments and biota have been prepared as a basis for establishing a survey strategy. In Tampa Bay, three years of assessment of contaminant effects in three species of fishes and in blue crabs, a two year study of indicators of oyster health throughout the Bay, and a survey of sediment toxicity have all been completed. In the Hudson-Raritan estuary, the study of bioindicators have been completed in the following studies: reproductive impairment in winter flounder, acute sediment toxicity in several indicator organisms, contaminant trends in sediment cores, and ambient water toxicity of copper and zinc at various sites. Information gained from this research has been used extensively by regional water quality managers and coastal zone planners, as well as by those involved in conducting assessment and regulatory activities.

- Validated the usage of three well-established toxic chemical contaminant bioindicators in fish species included in NOAA's National Status and Trends program. As part of an effort to develop new bioindicators in fish species, studies are being conducted in the following areas: systematic development of assay procedures, testing the responsiveness to chemical contaminant exposure of the candidate bioindicators using model compounds, and initiation of studies to evaluate dose response using model compounds.

- Developed an implementation plan for the Causes and Effects of Harmful Algal Blooms (HABs) program effort. The plan's objectives are to develop an understanding of the events leading to the onset and development of HABs, to develop a capability to predict the occurrence and spread of HABs, and to develop methods for reducing the incidence and/or impact of HABs. Published Marine Biotoxins and Harmful Algae: A National Plan, which seeks effective management of fisheries, public health, and ecosystem problems related to marine biotoxins and harmful algae. This effort also supported the preparation and publication of proceedings of the Fifth International Conference on Toxic Marine Phytoplankton.

- Released a request for research proposals to solicit projects which will investigate the fate of land-derived nutrients in the coastal ocean off west Maui, Hawaii, and which will enable the state to evaluate the degree to which nutrient enhancement may contribute to macroalgal blooms.

- Developed a mass balance model to describe primary production, dissolved oxygen, and organic compounds in the Mississippi-Atchafalaya plume as part of the Nutrient Enhanced Coastal Ocean Productivity (NECOP) project. This mass balance model has been made available to the EPA's Gulf of Mexico Program for use in determining and managing the effects of anthropogenic nutrient inputs (e.g., nonpoint source pollution) to the Gulf of Mexico. The mass balance model has been applied to historical data as a diagnostic method for investigating cause-effect mechanisms between nutrient loading and system responses. NECOP results are being used to develop the Action Plan for nutrient enrichment for the Gulf of Mexico.

- As part of the Atmospheric Nutrient Inputs to Coastal Areas (ANICA) project, which examines the atmospheric nutrient input to the Chesapeake Bay, initiated the Regional Atmospheric Modelling System (RAMS) so that initial investigations of flow fields (paths of atmospheric nutrients) across the Chesapeake Bay catchment area could begin. ANICA representatives are assisting managers in the EPA Chesapeake Bay Program to define research needs related to the atmospheric deposition component of the overall nutrient control strategy.

Fisheries Productivity. This area of effort aims to improve our understanding of the factors that influence fisheries productivity. The Coastal Ocean Program is conducting research, survey, and modeling efforts on the general properties that control fisheries populations and on the functions and relationships of habitats to living marine resources, to improve predictions of fisheries productivity.

Ongoing projects and activities in this area include:

- **Bering Sea Fisheries Oceanography Coordinated Investigations (FOCI):** This project focuses on whether there are separate walleye pollock stocks through out the Bering Sea basin, which bears on the issue of overfishing in the international waters of the Doughnut Hole, and what is the recruitment to the largest spawning pollock population in the eastern Bering Sea near Bogoslof Island. The goal is to reduce uncertainty in management decisions for the fishery in this region through an improved understanding of the ecological processes affecting population distribution and size.

- **South Atlantic Bight Recruitment Experiment (SABRE):** This project focuses on understanding the relationship between variation in environmental factors and the variable recruitment of "estuarine dependent" fishes in the South Atlantic Bight (SAB), examining the pre-recruitment phase of the most abundant and economically important fish component in the SAB. The project is a coordinated effort among NOAA laboratories, academia, and state resource agencies, and was initiated to improve the management of estuarine-dependent commercial species through a better understanding of the ecological processes affecting population size.

- **Georges Bank Ecosystem Study:** Initiated in FY 1993, this project will examine the Georges Bank ecosystem characteristics which affect efforts to restore cod and haddock populations, including the feeding behavior of predators and the availability and distribution of food to young fish.

- **Habitat Investigations:** This project focuses on the functions of and relationships among various components of habitats. The COP has funded 12 projects on salt marsh and seagrass ecosystem function, and on restoration techniques for these habitats. These projects address understanding the function, interaction, and dynamics of natural and restored coastal wetland habitats, the mechanics of the impact of alterations on habitat productivity, and improving our ability to restore or construct those habitats.

- **CoastWatch Change Analysis Program (C-CAP):** This project addresses the monitoring and evaluation of habitat change. C-CAP has undertaken activities in three areas: protocol development for mapping coastal habitats and adjacent uplands, regional habitat change analysis, and remote sensing of wetlands functional health. This information, when coupled with information from other components of the COP and fisheries data, will be essential ingredients for computer models and other statistical means of relating coastal habitat change to changes in fisheries production.

Accomplishments in this Fisheries Productivity area of effort include:

- Continued the second year of an expected five-year effort of eleven research projects for the South Atlantic Bight Recruitment Experiment (SABRE). These projects will improve the management of menhaden and similar commercial species through a better understanding of the ecological processes affecting population size. In addition, the newly-designed Optical Plankton Counter was field-tested and its performance exceeded design expectations.

- Under the Bering Sea Fisheries Oceanography Coordinated Investigations, continued the second year of an anticipated five-year effort of nine research projects which seek to reduce uncertainty in management decisions for the important pollock fishery in this region through an improved understanding of the ecological processes affecting population distribution and size. Estimates on stock size/recruitment are provided on a yearly basis. An ocean circulation model was implemented, and an analysis of drifting buoy data shows a direct connection in the current fields between the continental shelf and the deep Aleutian Basin. Fisheries managers view this information as valuable in helping them better understand and manage the dynamics of this valuable fishery.

- Initiated investigations into the predation and structure of the Georges Bank ecosystem. An announcement of availability of funds has been released, requesting projects which will examine the ecosystem characteristics which affect efforts to restore commercially valuable cod and haddock populations to historic levels. These projects will lead to better understanding of the valuable Georges Bank ecosystem and will augment current management efforts. The processing of preserved fish stomachs for diet composition analysis has already begun.

- Completed development of a national change analysis protocol using satellite imagery to detect change of emergent wetlands and uplands in the Chesapeake Bay region between 1984 and 1988/1989. National acceptance of this protocol will allow comparable data to be obtained regardless of which agency funded or conducted the change analysis effort. A cooperative project with the state of Texas was initiated to perform a change analysis for emergent wetlands and adjacent uplands in the Galveston Bay area. These efforts will be used to process land use change data in a consistent format and will be useful in helping coastal resource managers address the important issues regarding loss of critical habitat.

- Provided technical support for several ongoing regional projects in Massachusetts and the Gulf of Mexico to map submerged aquatic vegetation (SAV). This information will be used to help resource managers identify critical habitat areas. Complete inventory of SAV habitat from Cape Lookout, NC to Back Bay, VA is expected in 1993.

- Sponsored a literature search and review of the feasibility of using remote sensing and other techniques to assess the functional health of wetlands. Provided digital data products and maps of Chesapeake Bay change analysis project for research and management use.

- 18 scientific publications on salt marsh functions will be produced in 1993. In addition, 14 articles on seagrass research will be published. These articles will reflect the state of the art in critical habitat research and will be used to help coastal resource managers and planners restore, enhance, and/or create critical estuarine habitat.

Coastal Hazards. This area of effort aims to improve predictions of extreme coastal weather and ocean conditions. The Coastal Ocean Program is developing a new generation of numerical models based on directed field investigations and observations, which will be used to simulate coastal hazard conditions for extreme flooding, winds, and waves. These simulation experiments will identify hazardous areas in coastal towns and cities that need to be evacuated during extreme events, and will result in more accurate predictions needed for real-time warnings.

Ongoing projects and activities in this area include:

- **Coastal Storm Surges:** This project addresses, through modeling efforts, the significant problems of surges, waves, and winds produced by extratropical storms. There are two major aspects: extratropical storm surge modeling and improving hurricane wind fields. A dynamical extratropical storm surge forecasting model, based on the SLOSH (Sea, Lake, and Overland Surges from Hurricanes) model, will be able to provide forecasters with guidance for issuing coastal flooding warnings and emergency actions initiated based on the current situation, rather than on a blend of past experiences provided by statistical models currently used. In addition, incorporation of a surface wind field model would improve the accuracy of hurricane surface wind distributions and result in more accurate warnings. This first generation model will be adapted, or a second generation model developed, by academia and/or industry in order to develop an optimum modeling capacity.

- **Tsunami Hazard Mitigation:** This project's goal is to mitigate the tsunami threat to Hawaii, California, Washington, Oregon, and Alaska, by conducting research on tsunami generation, propagation, and inundation dynamics aimed at improving NOAA hazard mitigation products beyond the single product of the estimated time of arrival presently provided. This requires the development and maintenance of closely coupled observational experiments to gather tsunami measurement data to improve tsunami warning accuracy, and modeling experiments to improve hazard assessment and develop tsunami inundation maps.

- **Coastal Water Level Variability:** This project's goal is to increase our knowledge of the dynamics of water level fluctuations over various time scales in order to improve NOAA's abilities to forecast hazardous coastal events and to manage the coastal environment. Before an accurate storm surge or tsunami inundation forecast or routine or tidal prediction can be prepared, it is necessary to possess an accurate estimate of the background water level upon which these events occur. This component contains two major efforts: a West Coast Water Level Study, and an East Coast water level study.

- **Coastal Winds and Waves:** This project's goal is to improve the quality of mesoscale numerical weather prediction models in order to provide reliable forecasts of winds and waves in the coastal zone. The initial focus is on improvements to the wind forecast models; development of a coastal wave forecasting capability has been postponed due to lack of funding. An important associated goal is to implement the improved forecast models into the National Meteorological Center operational jobstream so that the forecast products are routinely delivered to National Weather Service field offices for more timely forecasting and warnings.

Accomplishments in this Coastal Hazards area of effort include:

- Completed numerical simulations of Hilo Harbor, HI flooding by three major historic tsunamis, resulting in the production of a preliminary Hilo inundation map, which is available to investigators involved in studies of Hilo Harbor flooding. This information will be useful to coastal planners and emergency managers in preparing for tsunami threats.

- Continued a comprehensive extratropical storm surge modelling effort to address the significant problems of surges, waves, and winds produced during winter storms such as the 1991 Halloween Day storm which impacted large areas of the U.S. East Coast.

- Completed a feasibility study to evaluate hurricane wind field analysis procedures using data gathered during tropical storm Marco, which brushed the west coast of Florida during October, 1990. Operational reconnaissance wind measurements gathered by aircraft were assimilated with standard surface observations into an experimental objective analysis system to provide a more accurate prediction of hurricane winds which affect coastal land areas.

- Provided summaries of the data from bottom pressure recorders (BPRs) to investigators examining the feasibility of a real-time tsunami warning system. These data have been processed and distributed to collaborating scientists and institutions for developing a system to provide tsunami warnings to coastal areas of the Pacific.

- Published four scientific publications related to understanding the dynamics of water level fluctuations over various time scales. The research leading to these publications will be used to improve NOAA's abilities to forecast hazardous coastal events and to better manage the coastal environment.

- Continued development of the Great Lakes Forecasting System (GLFS), which combines data from various sources with computer models to predict physical parameters such as currents, water temperatures, and water levels. The GLFS can produce products tailored to specific management and research needs and distributed through NOAA's CoastWatch nodes. Coverage to include Lake Michigan will be extended in 1993.

- A workshop to assess the potential economic benefits which would result from a Coastal Forecasting System (CFS) will be held in June 1993. The CFS will provide more specific and accurate predictions of the weather and ocean conditions, and would link the weather forecast system to the coastal ocean, which would ultimately be coupled to biological ecological models.

Information Delivery. This area of effort aims to improve information delivery to meet policy, management, and research needs. The Coastal Ocean Program is improving NOAA's understanding of users' needs and products, and providing syntheses of scientific understanding to enhance information delivery to decision-makers.

Ongoing projects and activities in this area include:

- **CoastWatch:** NOAA CoastWatch was designed to provide rapid dissemination of satellite remotely-sensed coastal regime data products and other coastal environmental information to Federal, state, and local decision-makers and researchers responsible for monitoring environmental events and managing living marine resources and coastal ecosystems. CoastWatch is a cooperative effort involving all of the NOAA Line Offices.

- **Coastal Ocean Management, Planning, and Assessment System (COMPAS):** This project focuses on making available a user-friendly, desktop computer information system designed to provide state resource managers current coastal resource data and information. Information can be aggregated, analyzed, and displayed spatially, enabling resource managers to make decisions using the most complete information available for specific areas.

- **Synthesis Documents:** This effort focuses on synthesizing information on critical coastal resource issues in order to provide needed input for management decisions, policy formulation, and legislation.

- **Information Transfer Workshops:** This activity focuses on specific information transfer to resource managers and environmental decision-makers through a series of workshops in coastal regions of the Nation.

- **Bibliography of Existing Synthesis Documents:** This project is undertaking an effort to determine what synthesis documents on coastal ocean science-related issues have been published in the past decade, and to develop a comprehensive bibliography.

- **Economic Valuation Workshops:** This project focuses on training resource managers to use tools to understand the value of the resources under their stewardship through workshops and regional case studies.

Accomplishments in this Information Delivery area of effort include:

- Began operations of two additional CoastWatch regional sites in Hawaii and Alaska. CoastWatch is designed to provide rapid dissemination of satellite remotely-sensed coastal regime data products and other coastal environmental information to federal, state, and local decision-makers and researchers responsible for monitoring environmental events and managing living marine resources and coastal ecosystems.

- CoastWatch imagery has been used extensively to understand the role of temperature in sea turtle movement. In 1993 the data were instrumental in allowing North Carolina's Division of Marine Fisheries and NMFS to reduce the area where Turtle Excluder Devices (TEDs) were required for the summer flounder fishery, based on water temperature data disseminated through CoastWatch.

- Provided imagery and in situ data to California management agencies to augment and enhance red tide and domoic acid monitoring. The CoastWatch "El Nino Watch" program has been implemented to detect and explain the effects of the present El Nino phenomena on near shore fish stocks.

- Initiated efforts to acquire equipment in appropriate sites to process and archive ocean color data. This COP Ocean Color project will enable coastal users to access high-resolution ocean color data for the entire U.S. coastal ocean from a commercial satellite instrument.

- Expanded the application of the Coastal Ocean Management, Planning, and Assessment System (COMPAS) to the Florida Keys, where it will be used to help plan and manage the newly-designated national marine sanctuary. This desktop computer system gives state resource managers easy access to current information on land use, habitats, shellfish growing waters, distribution and abundance of fishes, point and nonpoint pollution, and regulatory data, enabling them to make decisions using the best available information. A generic version of COMPAS, which would be applicable to all coastal states (regardless of differences in data bases), is now under development in the State of Oregon.

- Initiated development of four synthesis documents on priority issues to provide critical information in a form useful for management decisions, policy formulation and legislation associated with coastal ocean resources: 1) Methodology and Mechanisms for Management of Coastal Environmental Impacts; 2) Eutrophication and Phytoplankton Blooms: Bibliography and Review; 3) An Assessment of the Technology and Success in Restoration, Enhancement, and Creation of Salt Marshes in the U.S.; and 4) Synthesis of Summer Flounder Habitat Requirements for Resource Managers. Three additional synthesis documents have been funded this year.

- Initiated efforts to document scientific consensus regarding critical coastal issues. Once reviewed, successful projects will begin this year.

- Funded a pilot workshop last July on natural resource economic valuation methods and their uses for state and local resource managers, coastal zone and marine sanctuaries managers, and natural resources trustees. The techniques used in this workshop were refined and presented to a NOAA audience in November 1992 and again in February 1993. Two new workshops for coastal managers, one in the Pacific Northwest and another in the Mid-Atlantic, will be held in mid- to late 1993.

- Supported a symposium on "Sustainable Development in the Southeastern Coastal Zone" in early March 1993. This symposium brought together coastal planners, resource managers, scientists, and regulators to discuss the issues surrounding sustainable use and development of coastal resources in the southeastern United States. These discussions will serve as a springboard for action to prevent degradation of coastal resources in the region.

Marine Sanctuary Program

QUESTION:

What amount are you requesting for the National Marine Sanctuary program?

ANSWER:

The President has requested $7.0 million in marine sanctuary funding in fiscal year 1994.

QUESTION:

Is this amount requested sufficient to manage all current marine sanctuaries, as well as those proposed for designation in FY 1993 or FY 1994? Please provide for the record a breakout of the amount designated for each sanctuary and for program administration in FY 1992, FY 1993 and FY 1994.

ANSWER:

Current and proposed funding will allow for operations at all designated sites. NOAA has not allocated funds to individual sanctuaries for fiscal year 1994. Allocations for fiscal years 1992 and 1993 follow:

SITE	**FY 1992** ($000s)	**FY 1993** ($000s)
Monitor	160.0	193.2
Gray's Reef	230.0	153.6
Stellwagen Bank (b)	4.0	244.0
Florida Keys (a)	574.0	1,846.7
Key Largo	581.0	
Looe Key	344.0	
Flower Gardens	88.0	150.0
Channel Islands	316.0	313.3
Gulf of the Farallones	319.0	620.9
Cordell Banks	38.0	0.0
Fagatele Bay	95.0	4.0
Monterey Bay (b)	108.0	548.0

Olympic Coast (b)	65.0	118.8
Northwest Straits (b)	47.0	35.2
Thunder Bay (b)	36.0	56.7
Hawaiian Humpback Whale (b)	150.0	144.0
Program Administration	1,994.0	2,715.6

(a) Upon final designation, the Florida Keys sanctuary will incorporate both the Key Largo and Looe Key sanctuaries.

(b) Sanctuary in development.

COASTAL MANAGEMENT

Assessments

QUESTION:

Last year, NOAA approved 23 of the 27 Assessments submitted by states with federally approved CZM (coastal zone management) programs. You encouraged the four states (Michigan, Wisconsin, Louisiana, and Mississippi) to revise and resubmit their Assessments. Did any of these four resubmit their Assessments, and will any funding be provided to these states in FY 93?

ANSWER:

All four states resubmitted Assessments, as well as the Commonwealth of the Northern Mariana Islands (CNMI) and Puerto Rico which had not submitted Assessments last year. Of the six CZM states and territories, OCRM approved the following four:

Louisiana:	$182,400
Michigan:	$273,600
Mississippi:	$60,000
Puerto Rico:	$107,000

In addition, OCRM conditionally approved CNMI and Wisconsin pending the submittal of additional information by mid-May and subsequent approval by OCRM of that information. If approved, CNMI will receive $44,000 and Wisconsin will receive $68,000.

Estuarine Research Reserves

QUESTION:

Your budget justification states that there will be 22 designated estuarine research reserves by September 30, 1994. How many of these estuarine reserves are currently in operation?

ANSWER:

There are twenty-one estuarine reserves currently in operation.

QUESTION:

How do you determine the amount given to each reserve?

ANSWER:

Each reserve may apply for a grant of up to $110,000 to support basic operations, monitoring, and education activities. In addition, in fiscal year 1993, $39,000 was allotted for the competitive education grants benefiting the entire estuarine reserve program, $448,000 was allocated for acquisition and development grants at reserve sites and approximately $650,000 was awarded competitively for research conducted at estuarine reserves sites.

Coastal Zone Management Funding

QUESTION:

What is the amount available in your FY 93 appropriation for the Section 309A competitive grant program? How much of the Section 306 funds will be used for the competitive 309 program in FY 93?

ANSWER:

Congress does not appropriate specific funds for section 309. Instead, the CZMA provides that NOAA determines that between 10-20% of section 306 funds be set aside for section 309. In FY 93, OCRM allocated $5,969,000 to states (including $238,600 in deobligated funds), approximately 14.4%.

QUESTION:

Under Section 306 and 306(a), you now have an upper limit of $2,000,000 and a lower limit of $500,000 regarding the amount that you can give to each state with a federally-approved Coastal Zone Management program. What impact will this have on the program as a whole?

ANSWER:

Federal matching funds appropriated for state and territorial (state) implementation of Federally-approved coastal zone management programs are allocated by formula. This formula is based on an individual state's share of the coastal county population and shoreline mileage of all states with approved programs. The formula is established by regulation (15 CFR Part 927) in accordance with the requirements of Section 306(a)(1)(c) of the Coastal Zone Management Act (CZMA). Traditionally, and now, by law, NOAA provides a minimum share of appropriations to support at least a basic operating level for each coastal program, within a ceiling to ensure that the majority of states have sufficient funds to meet the broad range of issues states must address under the CZMA. Eliminating the maximum or minimum shares would have a profound effect on the level of Federal support to most state management programs as illustrated below:

These allotments were calculated using the following assumptions:

1) An appropriation level of $33,934,000.

2) 29 states and territories are eligible for funding.

3) $500,000 remains a minimum share.

4) $2,000,000 remains a maximum share.

Current Allotments with Maximum and Minimum Shares
State shares are distributed as follows using the current formula, maximum and minimum:

- Seven states receive the maximum share of $2,000,000/year (Alaska, California, Florida, Louisiana, Michigan, New Jersey, New York).

- Seven states receive more than $1,000,000 but less than $2,000,000/year (Maine, Maryland, Massachusetts, North Carolina, South Carolina, Virginia, Washington).

- Ten states receive less than $1,000,000/year, but at least 20% more than the $500,000 minimum (Alabama, Connecticut, Delaware, Hawaii, Mississippi, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Wisconsin).

- Five states receive within 10% of the $500,000 minimum (American Samoa, Guam, New Hampshire, Northern Marianas, Virgin Islands).

- No state receives less than $518,000/year.

Effect of Eliminating the Maximum Limit
Eliminating the ceiling or maximum has a significant effect on funding to the states. While funding increases for a few states, it reduces grants for the majority, decreasing the ability of many to operate their approved program.

- The allotments for four states (Alaska, California, Florida and New York) would increase significantly, improving the ability of these states to implement their programs:
- Alaska's share would double to $4,002,000.
- California and Florida's shares would nearly double to $3,872,000 and $3,676,000, respectively.
- New York's share would increase by $724,000.
- Michigan and New Jersey would drop from the $2,000,000 "maximum state" category with losses of over $600,000 each.
- Fourteen states would receive only the minimum share of $500,000. Allotments to eight of these states would be reduced by 20% or more (Alabama, Connecticut, Hawaii, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Wisconsin).
- The shares for "mid-range" states, those currently receiving over $1,000,000 but less than $2,000,000 per year, would be reduced by over $500,000 each (Maine, Maryland, Massachusetts, North Carolina, South Carolina, Virginia, Washington).

Effect of Eliminating both the Maximum and Minimum Limits
Deleting both the maximum and the minimum share has a significant effect on funding to the states, and therefore, the ability of many states to operate their CZM programs at the level necessary for continued Federal approval:

- The allotments for four states (Alaska, California, Florida and New York) would increase significantly, improving the ability of these states to implement their programs:
- Alaska's share would more than triple to $7,811,000.
- California and Florida's shares would nearly double.
- New York's share would increase by $722,000.
- Louisiana's allotment would remain virtually unchanged.
- Twenty four states would lose significant funding; many state programs would likely cease operations due to lack of funds.
- Five states would receive less than $100,000/year (American Samoa, Guam, New Hampshire, Northern Marianas, Virgin Islands).

- Nine states would receive between $100,000 and $500,000/year (Alabama, Connecticut, Delaware, Hawaii, Oregon, Pennsylvania, Rhode Island, Wisconsin).

- The shares for "mid-range" states, those currently receiving over $1,000,000/year, would lose $300,000 to $600,000 each (Maine, Maryland, Massachusetts, South Carolina, Virginia and Washington).

- Michigan and New Jersey would drop from the $2,000,000 "maximum state" category with losses of over $600,000 each.

QUESTION:

Do you think the formula that determines how much each state receives needs to be changed? If so, please explain.

ANSWER:

We do not believe the formula or the limits need to be changed. The existing formula is calculated based on shoreline mileage and population of the counties included in the coastal zone. We believe this is an equitable means of distributing money as it recognizes that states with larger shorelines need more money to administer a coastal management program.

Federal law sets a minimum and a maximum for each state to ensure that the smallest states have enough money to administer a program. The ceiling ensures that the largest states do not absorb the majority of funds at the expense of the middle states. Without the ceiling, the middle states would not be able to fund a program that would address the broad spectrum of coastal zone management issues as required by law for obtaining approval of their program. Allocations based on the current formula and limits were negotiated with the coastal states, are broadly accepted by them, and have been institutionalized.

QUESTION:

Of the $41,955,000 you are requesting, plus the $7.8 million for the CZM Fund for Coastal Management, what is the distribution between the various CZM programs (i.e., section 306, 307, etc. and program management)?

ANSWER:

The $41,955,000 is allocated to Section 306, Section 6217, Section 315, and Program Management under provisions of the Coastal Zone Management Act. The $7.8 million from the Coastal Zone Management Fund is allocated to Section 308 of the Coastal Zone Management Act.

QUESTION:

Last year's conference report placed restrictions on how the $7,800,000 appropriated from the CZM fund were to be used. How has this affected the funding process?

ANSWER:

The language in the conference report had limited effect on the funding process, because of precise limiting language in the appropriations bill itself that was passed by the Congress relating to the purposes for which the CZM Fund could be used. NOAA determined that it was bound by the specific but more restrictive language in the appropriation bill, regardless of the language in the conference report. Thus, the $7,800,000 from the CZM fund is being spent specifically for the limited purposes spelled out in the appropriations bill (sections 306, 306A, 6217). The guidance in the conference report is being used to determine allocations for program development (section 305) grants from ORF and deobligated grant funds.

Reviews of Coastal Programs

QUESTION:

Section 312 requires OCRM (Office of Ocean and Coastal Resource Management) to conduct formal reviews of each state's coastal zone management program every three years. Are you able to comply with this requirement?

ANSWER:

CZM program evaluations are conducted by OCRM's Policy Coordination Division (PCD). The PCD Evaluation unit is required by statute to review 29 approved state CZM programs and 22 sites within the National Estuarine Research Reserve System (NERRS). NOAA's regulations require that all programs and reserves be evaluated on a 3-year cycle. The current staffing level for evaluation unit is 4 full-time program analysts. Since the 1990 reauthorization, several factors have combined to make it increasingly difficult for OCRM to maintain the 3-year review cycle. These include: operating at times with less than 4 FT analysts because of staff turnover; increasing numbers of programs/reserves to review; increasing procedural requirements from the 1990 reauthorization; and, implementation of the 1990 interim sanctions provisions, which, while increasing NOAA's ability to encourage needed improvements, has also prolonged the completion of evaluations in order to secure necessary commitments from states.

QUESTION:

Do you think this three year review requirement is adequate, or do you feel the time should be increased/decreased?

ANSWER:

Assuming sufficient staffing in the PCD Evaluation unit, the 3-year review cycle is generally adequate for CZM programs and reserves lacking major problems. Nevertheless, the 1990 reauthorization does include provisions to allow OCRM to conduct more frequent formal §312 evaluations of programs with serious or chronic problems. These reviews may vary in scope from a full-scale evaluation of all aspects of program implementation, to a more narrowly focused assessment of a single problematic issue. In either case, OCRM is required to follow the same procedural requirements regarding notification, public participation, state comment and deadlines.

QUESTION:

As of September 1992, no state has been expelled from the CZM program because of violations. Is this still true, and are the currently any problems that might cause a state to be expelled?

ANSWER:

To date, no CZM programs have been decertified by NOAA. However, the fundamental purpose of the §312 evaluation process is to identify and correct chronic problems in program implementation, before they reach unacceptable levels. Through the new Interim Sanctions provisions, OCRM now has the authority to direct states to correct identified problems by redirecting federal financial assistance awards toward addressing specific programmatic needs. To date, OCRM's Evaluations unit has found several states and territories to be not fully adhering to their approved program and grants terms. In each of these cases, the ensuing corrective work plan has resulted in significant improvements in program implementation, thereby avoiding the necessity for imposing Sanctions.

Reorganization

QUESTION:

A 14-month self evaluation was completed within OCRM to develop a long range operating plan, and based on your findings, a reorganization of OCRM was to occur on September 1, 1992. In a September 1992 S&I Report, OCRM's director said the existing organization does not meet the needs of today or the future. Resources were in the wrong place and the operations are not efficient. Are these comments still valid today or has the reorganization solved these problems?

ANSWER:

Approval of the OCRM reorganization was suspended in late 1992 pending the appointment of a new OCRM director. NOAA believes the new director should have the opportunity to help determine the nature of organization he or she will manage. In the interim we have addressed specific operational weaknesses through a limited number of temporary staff reassignments.

Grant Distribution

QUESTION:

A common concern expressed by State officials of the Section 306 grant program was OCRM's ability to furnish funds on a timely basis. It has taken 9 or 10 months after money has been appropriated for some states to receive their grant money. Normally, when do most states receive their grant money? Why do delays as discussed above occur, and what can be done to prevent these delays?

ANSWER:

NOAA awards cooperative agreements to 29 states and territories under Section 306. The average processing time from date of receipt of a complete application to award is approximately four to five months including reviews by the NOAA program office, the NOAA Grants Management Division and the Department of Commerce's Financial Assistance Review Board. These awards are typically made nine or ten months after an appropriation for a variety of reasons:

- First, states are notified annually of the amount of funds available by formula for Section 306 and section 6217, and through competition under Section 309 as early as possible after the appropriation level is determined. This notice is first issued in draft form to provide the states an opportunity to comment on the proposed allocation. Typically the draft notice is provided in November or December.

- Second, ranking and selection of Section 309 competitive projects are usually completed by mid-March, establishing the level of Section 309 funding for each state. States then prepare one application for both Section 306 and Section 309 funds. NOAA provides Section 306 and Section 309 as one grant rather than two at the request of the states. This combined award reduces paperwork and personnel costs at the state and Federal levels. NOAA could expedite the receipt of Section 306 award funds by issuing separate awards for Section 306 and Section 309, but such an action would double state and Federal processing costs.

- Third, most states prefer that the date of their award coincide with the start of a state's fiscal year, which is typically either July 1st or October 1st. Applications for July 1st start dates are due to NOAA by March 15. Applications for an October 1st start date are due to NOAA by May 15th. States may choose to apply earlier if they so desire.

In FY 93 twelve states requested July 1st start dates; one state requested an August 1st start date; and sixteen states requested October 1st start dates. There is no break in Federal support to states since their programs are operating on prior year funds until the requested start date.

Department of Commerce and NOAA efforts to reduce grant processing time continue:

- NOAA recently re-instituted a process of concurrent rather than sequential review of applications. This means that both the program and administrative offices of NOAA now review an application at the same time rather than a program review followed by a grants management review. As a result, if there are administrative and programmatic questions about a state's application, NOAA contacts the state once and corrections are made once, rather than in series.

- The ongoing consolidation of NOAA offices in Silver Spring will expedite the award process as well. The co-location of the National Ocean Service's Office of Ocean and Coastal Resource Management and the Grants Management Division will facilitate concurrent reviews by allowing for more frequent direct contact and an elimination of the time necessary for the transfer of application documents across town.

Climate and Global Change

QUESTION:

What would be the impact of not receiving this requested Climate and Global Change increase in FY 1994? Will ongoing research projects be jeopardized?

ANSWER:

The FY 1993 budget is $67 million ($47 million appropriated to NOAA and $20 million appropriated to State Department for international research programs). Therefore, the FY 1994 President's Budget Request of a $23 million "increase" actually represents a $3 million increase over FY 1993 funding levels. Assuming the President's request is not appropriated, the following program effects would occur:

- o Jeopardizes the US commitment to an International Research Institute for Climate Prediction made at the United Nations Conference on Environment and Development (UNCED) in Rio.

- o Terminates $20 million worth of projects initiated in 1993 in support of the USGCRP, which support US international commitments, including those made at UNCED.

- o Requires the NOAA Climate and Global Change Program to undertake a fundamental change in the programmatic strategy adopted by the Administration since the inception of the USGCRP.

Funding below the requested level also will severely curtail NOAA's ability to contribute to answers to the following important policy questions:

The Role of Carbon Dioxide -- how does the CO_2 budget vary naturally, how do human activities change it, and how might it respond to future changes in environmental conditions?

Sea Level Change -- how and why is sea level changing, what is sea level apt to do in the future, and what would be the consequences?

Detection of Climate Change -- what are long term climate trends (e.g., greenhouse warming), and can we differentiate between natural and human-induced changes in the climate system?

Prediction of Climate Change -- how do we improve global model development and delivery of improved seasonal and year-to-year climate change predictions through greater understanding of processes within each component of the Earth System, as well as processes that involve interactions between two or more of the components?

Stratospheric Ozone Depletion -- what are the causes, extent, and implications of stratospheric ozone depletion?

> **Marine Ecosystem Responses** -- how do marine ecosystems vary naturally, how do human activities change them, and how might they respond to future changes in environmental conditions?

Climate and Air Quality Research

QUESTION:

You are requesting an increase of $2.4 million to continue long term climate and air quality research. How is this request different from Climate and Global Change?

ANSWER:

The funds will maintain the existing global greenhouse gas measurements program and permit NOAA to address scientific issues related to the Clean Air Act Amendments of 1990, through the activities of OAR's Environmental Research Laboratories. The global greenhouse gas measurements program is a base program within OAR at the Geophysical Monitoring for Climatic Change (GMCC) observatories operated by NOAA's Climate Monitoring and Diagnostics Laboratory. This is not part of the Climate and Global Change program. The U.S. Global Change Research Program (USGCRP) was established to provide additional resources needed to address a specific problem. The USGCRP assumes the continuation of ongoing base research in a number of areas in NOAA and other organizations.

QUESTION:

Why is this increase requested in "base" increases of the President's budget, while Climate and Global Change increases are included in the "investment" initiatives?

ANSWER:

There was a subtle distinction made during the compilation of the FY 1994 budget which differentiated larger investments in the future of the nation from the day to day smaller operational increases. The increase of $2.4 million requested to restore the base programs to maintain the global greenhouse gas measurements program and to address some of the scientific issues associated with the Clean Air Act Amendments of 1990 at OAR's Environmental Research Laboratories, would bring the funding in this area to the FY 1992 levels. On the other hand, an increase of $23 million for Climate and Global Change is expected to provide significantly better understanding which could have major implications in our nations future.

High Performance Computing

QUESTION:

You are requesting an increase of $2.6 million for the FCCSET High Performance Computing and Communications (HPCC) Initiative. What exactly is NOAA's role in this Federal initiative, and how will these funds be used?

ANSWER:

NOAA's role in the FCCSET HPCC Initiative is summarized in the "FCCSET Initiatives in the FY 1994 Budget" supplement to the President's FY 1994 budget, issued by Office of Science and Technology Policy on April 8, 1993:

> NOAA conducts Grand Challenge research in climate prediction and weather forecasting, and disseminates environmental data. By exploiting the computing power of scalable parallel systems, global ocean and atmosphere models will accurately represent weather fronts and ocean eddies, and distortions due to clouds can be eliminated. In support of this research, NOAA is acquiring scalable systems and enhancing National Research Education Network (NREN) connectivity. Within the Information Infrastructure Technology and Applications (IITA) component of the HPCC Initiative, NOAA is investigating environmental monitoring, prediction and assessment applications, and expanding efforts to make its environmental data more accessible.

NOAA participates in the Federal HPCC Initiative as a "mission agency". NOAA has a need for high performance computing and high speed networking to perform its mission, and, in doing so through participation in this initiative NOAA contributes to the overall goals of the Federal initiative. Improvements in the accuracy and timeliness of NOAA's short-term weather warnings, seasonal forecasts, and regional and global climate predictions are heavily dependent on major advances in high-end computing power and the widespread availability of environmental data.

NOAA will use these funds to:

o Develop advanced algorithms for global change and weather modeling that take advantage of high performance, massively parallel computing systems.

o Execute these new algorithms on high performance, parallel computing systems accessible to NOAA. These systems will be instrumented so as to evaluate their performance in enabling improved understanding of global change and the potential for improved weather forecasting. The extent to which these key NOAA applications are able to take advantage of this new type of computing capability will be evaluated.

- Improve NOAA's connectivity to the Internet/National Research and Education Network (NREN) -- both in terms of number of connections and their bandwidth -- to make possible improved access to massively parallel computing systems and to make NOAA's vast archive of environmental data more easily and quickly accessible to global change and other researchers and to the public and the private sector.

- To support this network use, NOAA will fully implement its NOAA NREN Network Information Center, a key step to support effective network use by NOAA staff and thousands of others to enable them to access NOAA data through the network.

As a result:

- NOAA will be in a better position to apply the most cost effective and best performing advanced computing systems for both research and operational purposes throughout NOAA through these pilot efforts, which are made possible by NOAA's participation in the Federal HPCC Initiative.

- Through improved connectivity to the Internet/NREN, a large amount of environmental data from NOAA's national data centers and other sources within NOAA will be made instantly available to hundreds of thousands of individuals and organizations through high bandwidth connections that will enable them to search for and gain access to the data they need.

QUESTION:

Is there anything in the base for the HPCC program?

ANSWER:

There is no direct base funding in the NOAA budget for the HPCC program. However, the FCCSET HPCC Initiative identifies $9.8 million of NOAA's FY 1994 base funding as supporting NOAA programs which contribute to and are considered part of the FCCSET HPCC Initiative.

National Undersea Research Program

QUESTION:

What specific programs will be eliminated under this proposal? Will any headquarters funding be maintained for undersea research? Why are these activities considered of a higher priority than the NURP Centers?

ANSWER:

NURP National Office funding in FY 1994 will be applied only to management of the national program which consists of diving safety and physiology, undersea technology, and NOAA's share of the ALVIN funding. No funds are planned for research to be funded through regional centers. These national program activities are considered to be of higher priority than research conducted by the NURP Centers, because they address the basic program capabilities to put researchers in the sea safely and with the tools required to perform science. Without these basic capabilities there could be no national coordination of undersea research in NOAA. ALVIN is a national, not regional facility, and it is available for use by NOAA-wide investigators.

QUESTION:

Please provide for the record a breakout of the FY 1993 and 1994 NURP funding by Center and headquarters activity.

ANSWER:

NURP FUNDING
(Dollars in thousands)

National Office *	$ 2,140.1	$2,038.0
NURP Centers:		
Hawaiian Undersea Research Laboratory	3,072.0	
NY Bight Center at Rutgers	1,727.9	
Univ. of Alaska	1,000.0	
Univ. of Connecticut	2,478.0	
Univ. of North Carolina	3,570.3	
Caribbean Marine Research Center	2,009.7	
Subtotal NURP Centers	13,857.9	
Total Program	$15,998.0	$2,038

* Besides providing overall program management and coordination, the National Office also funds the national program, diving safety and physiology, undersea technology, and NOAA's share of the ALVIN funding.

Regional Marine Research Program

QUESTION:

You are requesting an increase for the Regional Marine Research program of $2.1 million. How many additional centers will be opened with this increase? Where will they be located?

ANSWER:

The Regional Marine Research Program (RMRP) does not support centers. RMRP legislation is implemented by forming regional consortia under the direction of regional boards. The home institution of the board chairman acts a the responsible fiscal party for the Federal award. In the one region funded to date, seven institutions of the region are participating in the program.

The RMRP legislation requires that a region have an approved regional research plan before it can receive a research grant. To date, only one region, the Gulf of Maine, has an approved plan. The other regions are in various stages of plan development. NOAA anticipates that the remaining regions will submit plans for approval in time to be eligible for FY 1994 funding.

QUESTION:

How do you justify opening new centers under the Mitchell Act Program, when you are proposing to end Federal support for the NURP Centers?

ANSWER:

Implementation of the Mitchell Act does not require opening new centers; it is being done by forming regional consortia and drawing on existing organizations.

NATIONAL WEATHER SERVICE

Status of Modernization

QUESTION:

In December 1991, GAO reported that deployment of the four major NWS/NESDIS procurements (NEXRAD, GOES-Next, ASOS, AWIPS) would be delayed from 1994 to 1998. What is the currently planned deployment date for each system?

ANSWER:

These systems are being deployed as follows:

NEXRAD
To date, twenty-nine tri-agency NEXRAD systems have been delivered (26 field systems and 3 support systems at the training and operational support facilities). System deliveries are on schedule with two deliveries (Miami, FL, and Phoenix, AZ) being accelerated by approximately one year. Delivery of the last full-scale production unit is scheduled for early 1996. There are no foreseeable delays in the system deployment schedule.

GOES-NEXT
The GOES-NEXT Satellite series consists of five spacecraft, GOES I through M. The first spacecraft in this series GOES-I will be launched in April or June 1994, depending on launch pad availability. GOES J will be launched about one year later and the last spacecraft in this series will be launched in 2002.

ASOS
The ASOS Program is now in the operational implementation phase. The ASOS Program is meeting the DOC schedule for deployment of NOAA systems in 1995, as well as meeting the program deployment milestones listed in the FY 1993 NOAA Operating Plan. Delivery of the last ASOS is scheduled for February 1996.

The following data is current as of May 3, 1993:

ASOS SYSTEMS:	NWS	FAA	NAVY	TOTAL
PURCHASED	160	354	21	535
DEPLOYED	59	177	5	241
ACCEPTED	49	163	5	217
COMMISSIONED	19	0	0	19

AWIPS
The AWIPS Program deployment phase is currently targeted for 24 months starting in April 1996. Nationwide deployment will be complete by the end of March 1998.

QUESTION:

In 1991, GAO also reported that the total cost for the four systems had more than doubled from the original estimate to $4.2 billion. What are the current cost estimates for each component of the modernization? What assurances can NOAA offer that each component will be completed within these estimates?

ANSWER:

The currently approved baseline estimates for the NEXRAD, GOES-NEXT, ASOS, and AWIPS systems are $1,262.2M, $1,972.0M, $309.0M, and $474.5M respectively. The figures for NEXRAD and ASOS include costs for the FAA and DOD as well as for NOAA.

The Systems Program Office (SPO) was established to provide effective acquisition management for NOAA's major weather modernization systems -- several of which had gotten out of control for a variety of reasons. With the creation of the SPO, NOAA now can provide assurance that cost, schedule, and technical baselines have been established and are monitored continuosly for all the major systems. Thresholds for these established baselines cannot be breached without prior approval by the Department. Proper oversight and approvals are obtained through the budget formulation process.

It is now expected that each system can be completed within these baselines based on currently approved requirements. As requirements change through the rigorous configuration management process, the estimates also would change.

QUESTION:

NIST conducted a benefit/cost study of the NWS modernization program. What were the results overall and for each system?

ANSWER:

The results of the benefit/cost study showed that the economic benefits to the Nation are about eight times greater than the costs to modernize, including the capital investment in the new technology programs. The study also showed that once the modernization is fully deployed, the Nation will realize benefits of over $7 billion per year to various segments of the United States economy. This study looked at NWS modernization as an integrated program, and did not attempt to allocate results to the individual technology programs.

Modernization and Associated Restructuring Demonstration (MARD)

QUESTION:

What systems need to be in place for the MARD demonstration to occur? Is the target date to begin the demonstration still mid-1996? What assurances can NOAA provide that these systems will be in place and that this date will be met?

ANSWER:

The purpose of MARD is to demonstrate the viability of the WFO concept from several intra-office perspectives such as staffing adequacy, integration of station operations, and service quality to end users; as well as from an inter-office network perspective. MARD will not serve to certify no degradation in weather services. Certifications will be accomplished for each individual affected area as required by Public Law 102-567.

Systems required to conduct the MARD are Automated Surface Observing System (ASOS), Next Generation Weather Radar (NEXRAD), Advanced Weather Interactive Processing System (AWIPS), and a geostationary satellite capability at least equal to that currently available.

MARD is scheduled to begin in late calendar year 1995, and continue for one year. This schedule is based on the expected availability of staff and systems, and assumes that a 6 month acceleration in the AWIPS development schedule is achieved. Assuming required funding is made available, meeting this schedule is achievable.

QUESTION:

What portion of the $52.5 million investment increase is targeted for the demonstration? How is this increase to be spent and whey is it necessary given that the demonstration will not occur until mid-1996?

ANSWER:

The $52.5 million increase is required for restructuring nationwide. Most of the funds provide for an interim increase in staffing, moves of staff and current office equipment, and training of the staff in order to utilize the new systems when they are delivered. Out of this total increase of $52.5 million, less than $0.5 million is targeted for preparations for the demonstration. This small amount is required to begin compilation, analysis and presentation of raw data collected by NWS on weather products and data in the demonstration area for the distribution between NWS offices and dissemination to users. This will be a continuing activity until after the demonstration in order to provide both the "before" and "after" pictures of modernization.

National Implementation Plan

QUESTION:

Was the plan undertaken in cooperation with the National Research Council, which is responsible for reviewing certification criteria, and the National Weather Service Employees Organization? Do they agree with the plan?

ANSWER:

The National Research Council's Modernization Committee advises NOAA on the NWS modernization program. The FY 1994 National Implementation Plan is the fourth in a series of annual reports to Congress on the status and plans for the modernization. During preparation of the FY 1994 National Implementation Plan, the NRC Committee was advised of the contents and significant changes to the plan. Reports issued by the NRC have endorsed the modernization program and the approach to accomplishing that are described in the National Implementation Plan.

The National Weather Service Employees Organization has been provided an opportunity to comment on the National Implementation Plan each year, as part of the collective bargaining agreement with them. They have raised no major objections. Prior to actually executing many of the actions described in the National Implementation Plan, the NWSEO will have the opportunity to comment/negotiate on the implementation and impacts of those action.

QUESTION:

The consolidation was to result in a decrease in overall staffing from 4,700 to 3,900. The NIP does not specify the change in staffing. Is this reduction still planned? Will these staff be moved to other locations or lose their jobs?

ANSWER:

The decrease in overall staffing was one of the goals in the Strategic Plan for NWS modernization. This decrease was predicated on a number of assumptions: reductions of 84 offices, expected system capabilities that would reduce labor intensive tasks, and extensive use of contractor maintenance of the new systems. Already, Government maintenance of both ASOS and NEXRAD has been shown to be more cost effective than contractor maintenance, so the end target staffing level is higher than originally projected.

Any staff savings that are achievable will be accrued over a number of years through attrition. NWS policy is that all current NWS employees will have a job in the modernized era, although it may be at a different location.

QUESTION:

When systems are running concurrently, before the old system is decommissioned and the new system is commissioned, will NWS have additional staffing needs? Will a team travel around to help fill in or will the existing staff handle both systems? How long will the systems operate concurrently?

ANSWER:

The operational transition has been planned in such a way as to capitalize on the capabilities of the new technologies, effect the necessary staffing reallocations, and provide modernized weather services to each geographical area as early and as cost effectively as possible, without degrading services. Since the new systems must be commissioned before the old systems are decommissioned, and certifications must be completed before staff can be reassigned, a temporary increase in staffing is required during this transitional period. This temporary staffing increase is the largest component of the MARDI budget initiative. For a given location, concurrent operation of the new and old systems is planned to last only for several months.

QUESTION:

How does NWS plan to overcome the resistance to consolidating its field offices, particularly on the part of congress, that FAA is meeting in consolidating its flight service stations?

ANSWER:

Results of actual operational performance of the first several NEXRAD systems have clearly demonstrated that service improvement expectations are real. Coupled with the sizeable economic benefits to this Nation that full modernization will bring, NWS is confident that any resistance to office phase-downs and closures can and will be overcome.

Prior to automating, consolidating, relocating, or closing a field office, Public Law 102-567 requires the Secretary of Commerce to certify to Congress that such action will not result in any degradation of service to the affected area. NWS believes this certification process will provide convincing evidence.

NWS is also convinced that the most crucial element in the certification process is endorsement of modernization by the users of weather services, as well as by its employees. NWS has developed an extensive and proactive program to foster this endorsement externally and internally. This program includes:

- User and Employee Awareness - informational briefings and mailings to the many and varied users at the National, state and local levels on a frequent and recurring basis throughout the transition period; and an internal communication strategy to provide periodic status reports, updates to, and obtain feedback from NWS employees.

- Notification and Technical Coordination - advanced notification of when specific modernization activities are scheduled to occur both in the annual submission of the National Implementation Plan, and by mailings from NWS field office managers to users in their local areas; and coordination of specific technical aspects of activities with users to ensure they understand the change and have sufficient lead time to make any adjustments needed to take full advantage of modernization.

- Service Confirmation - follow-up with users after a change has been made to ensure that services they receive have remained intact, accessible and of an acceptable quality, and to resolve any outstanding issues or problems they might have.

QUESTION:

How much money will consolidation save in the long run? When will cost savings start to show up in NOAA budget requests?

ANSWER:

During the transition to the modernized and restructured NWS, any savings generated are used to offset costs of staffing the modernized offices, and operating and maintaining the new systems.

QUESTION:

When will consolidation be completed?

ANSWER:

Based on the expected availability of staff and systems, a nationwide network of 116 WFOs and 13 RFCs will be operational by the end of 1998. Completion of the restructuring, i.e., closure of the remaining offices, is expected by the end of 2000.

Systems Program Office (SPO)

QUESTION:

What impact has the SPO had on the costs and schedules of the NWS procurements?

ANSWER:

Since the establishment of the SPO in FY 1991, there have been no cost overruns or schedule delays in the NEXRAD and ASOS programs (see charts below).

The AWIPS program was rebaselined in FY 1992, resulting in a total program cost increase of $25M. Most of this increase is in software development costs. Also as a result of the AWIPS program rebaseline, development phase contract award was accelerated by 5 months, which will result in full deployment by March 1998, 12 months earlier than previously planned.

The GOES program schedule has experienced a 2 month delay since the inception of the SPO, due to instrument qualification delays. Costs were not impacted.

As a result of the funding level proposed in the FY 1994 budget request to the Congress, a re-evaluation of the FRAM program is underway.

COST OVERRUNS AND SCHEDULE SLIPS THROUGH 1991 (Pre-SPO)

	COST OVERRUNS	SCHEDULE SLIPS
NEXRAD	$ 520M [1] [2]	1 yr/10 mos
ASOS	None	None
AWIPS	$ 92M	5 yrs/5 mos
GOES	$ 804.5M	4 yrs/4 mos
FRAM	N/A	N/A

1) Contract cost overrun based on Full Doppler Baseline of 1985

2) Contract cost overrun from award in December 1987 through FY 1991 is $ 161M (plus an additional $ 44M overrun in Program Management for schedule slip)

COST OVERRUNS AND SCHEDULE SLIPS IN 1992 (Post-SPO)

	COST OVERRUNS	SCHEDULE SLIPS
NEXRAD	($ .8M)	None
ASOS	None	None
AWIPS	$ 25M [1]	None [2]
GOES	None	2 mos
FRAM	None	None

1) Due to rebaselining and new Government cost estimate

2) Contract award accelerated from March 1993 to December 1992

QUESTION:

Please comment on the changes planned to the SPO and its operations as a result of the Inspector General's report?

ANSWER:

The function and size of the SPO are undergoing a fresh review in light of the goals of the current administration.

The FY 1994 level requested for the SPO reflects the concerns expressed by the OIG. NOAA's response to the individual OIG conclusions and recommendations will be addressed as part of the FY 1995 budget process.

QUESTION:

The Inspector General found that SPO funding should be more clearly identified in the budget. How much funding is planned for the SPO in FY 1994? Why was it not separately identified?

ANSWER:

In its review of the FY 1994 budget request for the SPO, the Administration decided that the SPO funding should be split into two support categories--direct and indirect -- the former to be added to specific programs based on program specific usage, and the latter, of a policy and general management nature, to be reflected under the NOAA program support activity. This approach was to ensure a proper link to the systems being procured and would tie the size of the SPO to the number and size of systems under its auspices.

QUESTION:

The Inspector General recommended holding FY 1994 SPO staffing to FY 1992 levels, reallocating staff as appropriate and phasing down support contractors. Does the FY 1994 budget request reflect this recommendation or is an increase in staffing still planned?

ANSWER:

As noted, the functions and size of the SPO are now under review. However, the FY 1994 requested levels were developed with the Inspector General's concerns in mind; therefore, the levels requested are only for one year. Final determination on the size of the SPO, the proper allocation methodologies and other OIG issues will be addressed in the FY 1995 request.

Next Generation Weather Radar (NEXRAD)

QUESTION:

How many NEXRADs have been delivered? How many have been commissioned? Is this in accordance with the schedule?

ANSWER:

Twenty-nine Tri-agency systems have been delivered; 26 field systems and 3 support systems at the training and operational support facilities. System deliveries are on schedule with two deliveries (Miami Fl, and Phoenix AZ) being accelerated by approximately one year. Commissioning is a NWS, DOD, or FAA responsibility. To date, no systems have been commissioned.

Initial plans called for the commissioning of approximately five NWS network sites and two DOD sites early in FY 1994. Given software upgrades and corrections to site grounding configurations, commissioning of the first sites has been delayed to late summer and early fall.

QUESTION:

What was the cost associated with the new agreement that reflects settlement of contractual disputes. Will the agreement result in two versions of NEXRAD in the field? What operational problems does this cause NWS?

ANSWER:

At the time of Comprehensive Settlement, the increased tri-agency cost associated with the agreement was $300.2 million, of which $55.8 million was attributable to settlement of contractual disputes.

Notwithstanding the revised NEXRAD Technical Requirement (NTR) to incorporate the results of DT&E and a planned retrofit of new technology (i.e. MicroFive and VME), there is ultimately but one configuration for the NEXRAD system. The single configuration obviates any operational problems related to multiple versions.

QUESTION:

Is NWS experiencing any operational problems with the NEXRAD units in use? Is the information provided accurate? How much downtime is being experienced with the units?

ANSWER:

Operating NEXRAD systems are providing a significantly improved capability in the detection of severe weather. Nevertheless, systems are being upgraded to enhance performance and availability. Upgrades involve improved communication subsystems and reliability fixes for the transmitter.

Current system data is reliable and timely. The verification and accuracy of NEXRAD warnings is providing increased lead time in the location and detection of severe weather, well in advance of the present spotter network.

Based on limited data from as yet non-commissioned systems, operational availability (A_o) is on the order of 90 percent. Once the full network is fielded and commissioned, and system upgrades and logistics support are in place, operational availability is expected to reach the specified 96 percent.

QUESTION:

The Inspector General made several recommendations on software maintenance for NEXRAD. What is NWS doing in response to the recommendations, particularly the following?

a. Develop a five year-year software support plan based on thorough analysis of staffing levels needed.

b. Clarify the contractor's obligations under the software warranty, rather than resolving warranty issues on a case-by-case basis.

c. Limit changes to the NEXRAD operational software, which could impair the warranty and interfere with contractor efforts.

ANSWER:

a. The Government, with the assistance of the Mitre Corporation, has independently assessed the OSF's software maintenance staffing requirement for the next 5 years. The results of the study were presented to the PMC and NPC for their review and approval. Ultimately, the number, specialty, and the government/contractor staffing mix are to be defined and made a matter of management policy.

b. The earlier 5 year warranty on the initial software build has expired. Subsequently, one-year warranties on incremental builds have been provided with each release. The latest warranty is associated with Build 5.1g. With the acceptance of Build 6.0, the Government will have one-year coverage for all marginal changes vis-a-vis Build 5.1g; a significant portion of the software. The Government is negotiating with Paramax on procedures for identifying software deficiencies covered by warranty, the approach to be taken by Paramax/OSF for correction of these deficiencies, and the criteria for determining Government financial responsibility.

c. The OSF is charged with software maintenance management. That is, with the execution of Support Management Responsibility Transfer (SMRT), the OSF will be responsible for the development of new software, as well as the revision and update of the existing baseline. Baseline software includes the operating system, diagnostics, and application software. Only the OSF will develop new software and change existing software on their equipment and test it at different levels on the development equipment, operational equipment, and baselined target systems. Policy is stipulated in the Software Management Plan and the Computer Resources Management Plan, with procedural guidance provided in subordinate documents.

Automated Surface Observing System (ASOS)

QUESTION:

What is the current status of the ASOS program? How many units have been delivered? How many have been commissioned? How does this compare to the schedule?

ANSWER:

The Automated Surface Observing System (ASOS) will provide reliable, 24-hour per day, continuous surface weather observations. Implementation of ASOS into NWS field operations should provide continuous weather watch, extend coverage to locations currently lacking observations and yield improved staff productively. As the lead agency, NOAA is developing and competitively acquiring ASOS units in cooperation with DOT/FAA and DOD/Navy. Recognizing the value of an integrated systems approach and NWS demonstrated expertise, the FAA and DOD have asked NWS to assume responsibility for acquiring, implementing, and maintaining planned FAA and DOD ASOS units under reimbursable funding arrangements.

The ASOS procurement follows the guidelines of OMB Circular A-109 "Major Systems Acquisitions." The Secretary of Commerce approved the ASOS system for full production in late 1990. Consequently, the ASOS Program is now in the operational implementation phase. The ASOS Program is meeting the DOC schedule for delivery of systems through 1995 subject to out year funding, as well as meeting the delivery milestones listed in the FY93 NOAA Operating Plan.

The following data is current as of May 03, 1993.

ASOS SYSTEMS:	NWS	FAA	NAVY	TOTAL
PURCHASED	160	354	21	535
DELIVERED	59	177	5	241
ACCEPTED	49	163	5	217
COMMISSIONED	19	0	0	19

Commissioning of NWS sponsored systems has been delayed somewhat because of the impact of higher than expected workloads experienced by NWS observer staff. The workloads arise for three reasons:

(1) FAA air traffic controller (ATC) non-acceptance of existing tower display equipment, which forces NWS observers to manually enter the ATC data, (2) the need for refinements in system software to avoid NWS observer monitoring of extraneous observations, and (3) the need for extra sensor arrays at sites having frequent non-homogeneous meteorological conditions which must otherwise be monitored by the NWS observer. The first problem will be solved by a redesign effort that is now underway to meet FAA revised requirements. The second and third problems will be resolved as funding becomes available in FY94 and FY95.

Commissioning of FAA sponsored systems is not on schedule because delays in acquisition of necessary long-line communication circuits by FAA.

QUESTION:

The National Weather Service Employees Organization, the National Air Traffic Controllers Association, and some Federal Aviation Administration control towers have expressed concern about the accuracy of the weather information provided by ASOS. Does NWS agree? Does NWS plan any improvements to ASOS to overcome these problems?

ANSWER:

Operational use of the ASOS has allowed the National Weather Service to review ASOS performance in a real world environment. This experience has confirmed that the ASOS provides timely and accurate observations for the aviation and meteorological communities. However, as with any new system of such complexity and sophistication, there are identifiable areas that can be and are being improved.

NOAA has established a formal system to identify, assess, and correct problems encountered in operational use. Based on information from many sources, NOAA conducts a continual, systematic process for correcting and improving the operation of ASOS. The priority of improvements is assessed in coordination with the FAA and DOD, and modifications to both hardware and software are introduced in a series of scheduled upgrades. Problems that might impact public safety are treated urgently. Those that entail avoidable heavy workload for air traffic controllers and observers have been given high priority.

Many of the concerns expressed to us about ASOS accuracy are related to representativeness of the ASOS observation rather than measurement accuracy. The perception that the ASOS observation is unrepresentative stems from the different observing methods employed by ASOS and the human observer. In general, ASOS relies on time averaging at a fixed location while the human observer relies on spatial averaging. Although this is a fundamental change, extensive testing has revealed that the manual and the automated techniques yield remarkably similar results in regard to accuracy and timeliness under most circumstances. In any case, the sensors are located on the airport near the actual runway, while observers may be distant. An agreement is in place where the NWS observer and the FAA Air Traffic Control Tower personnel are to maintain close coordination to resolve cases where the ASOS observations are perceived to be unrepresentative. Multiple sensor configurations are also being planned for airports where chronic or frequent meteorological discontinuities are known to exist.

This along with continued user education of ASOS capabilities should help to alleviate the concerns. It should be emphasized that human observations are not uniformly more consistent and accurate, and they certainly cannot be as continuous.

QUESTION:

The purpose of ASOS is to replace human weather observers at airports. Does NWS still believe it will eventually be able to replace humans with ASOS?

ANSWER:

A central purpose of ASOS is to provide nearly continuous observations of critical weather elements at existing staffed locations and to extend the observing networks to many locations where no observations are now available. The data provided by ASOS make an essential contribution to an integrated, composite system that has been carefully designed to permit, for the first time, routine observation, analysis and interpretation of mesoscale weather phenomena. The composite system includes a modern weather radar network, a lightning detection network, geostationary and polar orbiting weather satellites, and powerful computers running complex algorithms and advanced analysis and forecast models. It was never intended that ASOS data would stand alone, nor that ASOS would "replace humans" in the sense that ASOS would replicate all of the functions performed by humans in making the traditional manual surface weather observations.

NWS believes that once ASOS and other modernization changes are fully assimilated by NWS, FAA, and other users of weather information, including aircraft pilots, it will no longer be necessary to maintain a group of government observing specialists at every airport now staffed, for the sole purpose of making surface weather observations. At airports with control towers, it still will be necessary to add a very small number of elements manually, for example visibility observed from the tower, which already must be made by a controller in the tower. A more complex consideration is how to accomplish the transition from the long-established mode based on manual observations to the new one based on ASOS plus information derived from other sources, and at the same time maintain essential service levels.

QUESTION:

Acceptable outage times for ASOS will range from 12 to 16 hours depending on the airfield. When an ASOS is out, will the airport be closed because of the lack of weather observations? If not, who will take the observational responsibility or will safety standards related to surface weather observations be relaxed?

ANSWER:

ASOS is designed to be a highly reliable system. The procedures for backing up ASOS when an individual sensor component is out of service assure that safety standards will not be relaxed and airports will not have to close because of lack of weather observations.

The maximum outage time referenced for a single sensor component for the safety related weather elements is based on the size of the airport and is just one part of the overall strategy to provide reliable weather information. The range of acceptable outage times for a sensor component refers to 12 hours for hub airports, 24 hours for towered airports and 36 hours for small airports.

Operational elements required for air traffic control are visibility, wind, and altimeter. To make a Terminal Forecast for dispatch purposes per Federal Aviation Regulations, Part 121 operations, NWS currently requires pressure, wind speed and direction, visibility, ceiling, temperature, and dew point. When one of these components is out of service, the airport may continue to operate through the provision of backup observations. At the commissioned NWS airport locations, NWS staff will provide backup observations using backup equipment or visual means to provide the missing weather parameters until the ASOS equipment is returned to service.

Advanced Weather Interactive Processing System (AWIPS)

QUESTION:

Which company won the AWIPS contract?

ANSWER:

PRC, Inc., won the AWIPS contract.

QUESTION:

Did the other company interested in the contract file a bid protest? If so, how will this impact the AWIPS schedule?

ANSWER:

No, CSC, did not file a bid protest. Proactive involvement by the AWIPS Program Office (APO) avoided a possible protest.

QUESTION:

In January, GAO reported several problems with NWS's plans for AWIPS that need to be resolved before the AWIPS design is approved and significant software development begins. What does NWS plan to do to resolve each of the following problems:

a. NWS wrote about one-third of the software needed and will provide it to the contractor, raising the question of who will be responsible for problems.

b. AWIPS is supposed to be usable on any vendor's hardware (portable), but the request for proposal did not adequately specify this.

c. AWIPS security requirements are not defined.

d. Each field office can customize AWIPS to reflect local forecasting needs. NWS needs a plan for controlling changes at the local level.

e. Meteorologists rather than software experts wrote the AWIPS code at NWS, so it does not meet software standards. What is the status of NWS's software development plan for AWIPS?

f. The contractor will perform the system testing with minimal guidance from NWS. What is the status of NWS's test and evaluation master plan?

ANSWER:

a. The contract language clearly describes the responsibilities of the contractor relative to integrating Government-developed software. Section H.34 states: "...The AWIPS contractor has total responsibility for the development, integration and maintenance of the AWIPS system throughout the life cycle of the contract. Integration of Government furnished software shall not in any manner obviate: 1) the Contractor's responsibility to meet all specified requirements or 2) the Contractor's responsibility to perform in accordance with the provisions of the contract..."

b. The contract with PRC requires PRC to incorporate features and to utilize programming practices that will enhance flexibility and expendability of hardware and software in the AWIPS design. This will allow for upgrades and changes to both the hardware and software. As part of this requirement the contract states that "...programs shall be able to execute in different processors of the same computer family..." thereby specifically requiring software portability. The contractor bid a UNIX operating system which will allow for the flexibility to migrate form one hardware to another with minimal change of software.

In addition, the Developers Workbench (DWB) has been proposed as a way to enhance future AWIPS applications software development in open systems environments. PRC has incorporated open systems architecture into their software development efforts. PRC's design is compliant with POSIX and has complied with the National Institute of Standards and Technology's (NIST) standards for open systems architecture.

c. Privacy and Security requirements are addressed in the System Requirements Specification (SRS), Volume I, Chapter 14. The requirements specify that in the AWIPS design, PRC incorporate capabilities for preventing unauthorized access to data and processing resources at the site level and the protection of communications at the network level.

The APO requested PRC to address system security relative to their AWIPS design. Their response covered system availability, but did not address physical security. Therefore, we have tasked MIT-Lincoln Laboratories to examine PRC's system design in terms of physical system security. The contract for this effort has been drafted and presently is being processed. MIT Lincoln Lab ultimately will conduct an actual working-level test on operational hardware to ensure that AWIPS is a secure system.

d. The APO-developed Configuration Management (CM) Plan addresses the issue of configuration management of locally developed software. Section H.34 and SRS, Volume I, Chapter 8 of the contract discuss contractor roles and responsibilities for locally developed software for AWIPS. These are local applications which might be equated to a spreadsheet software.

e. The APO is in the process of finalizing the Software Development Management Plan (SDMP) with the SPO, NWS, and the support contractor, Software Engineering Institute (SEI). A draft of the SDMP also has gone to PRC for review and comments. The final draft of the SDMP is due on May 15, 1993.

f. The APO developed a Test and Evaluation Master Plan (TEMP) which was distributed for comment to the APO, NWS and NESDIS on April 15, 1993. Based on the anticipated responses, the APO should be on schedule for final approval by June 15, 1994.

NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE

GOES-NEXT SATELLITES

QUESTION:

How much in the FY 1994 budget is for operation of the European geostationary satellite that covers the Eastern portion of the U.S.? How many more years do you anticipate spending money to operate this satellite?

ANSWER:

There is no money requested in the President's FY 1994 budget for the operation of the European geostationary satellite (METEOSAT-3). However, funding if needed will be available from the Geostationary Operational Environmental Satellite Contingency Fund in the approximate amount of $7.6 million for the continued operation of the joint U.S./European METEOSAT program. To ensure a robust backup to GOES, this support will be continued through mid-1995 (post GOES J launch and checkout) when NOAA returns to a nominal two-GOES system.

QUESTION:

GAO indicates that the satellite that covers the Western portion of the nation is supposed to run out of fuel during 1993. What will happen when it does so? Will we borrow another satellite?

ANSWER:

Due to judicious usage of fuel, GOES-7, which covers the Western portion of the nation, has enough fuel on board to last beyond calendar year 1995. By this time, both GOES I and J will be operational. Barring an unforeseen launch or premature satellite failure, NOAA will not need to borrow another satellite.

QUESTION:

The first GOES-Next Satellite, GOES-I, will be launched in June rather than April 1994 as planned. The launch contractor, General Dynamics, has had problems with the launch vehicles, the Atlas Centaur.

a. Are all General Dynamics launches being delayed equally or are GOES launches being delayed more?

b. How is General Dynamics determining the launch delays? How are the launch priorities set? Do commercial launches get lower priority than government launches? Are the GOES launches considered commercial?

c. Does NOAA have any contract language that NOAA could use to support an earlier launch?

ANSWER:

a. The first GOES-Next spacecraft and the Atlas-Centaur launch vehicle schedules can support a launch in April 1994. Recently, it was learned that a manifest conflict for access to the Atlas launch pad may delay the GOES launch until June 1994. However, this perceived delay is by no means certain at this time. Therefore, the schedules for completion of the spacecraft and launch vehicles are not being changed.

   Although the investigation of the most recent failure of the Atlas/Centaur system is not yet complete, General Dynamics is currently projecting that they will be able to meet all launch schedules with the exception of the first launch (DOD communication satellite) which will be delayed from May 4th until June 15, 1993.

b. General Dynamics is projecting a minimum delay due to the last Atlas failure because the telemetry points very clearly to a failed pressure regulator which permits a very narrow focus to the required fixes. Launch priorities are typically set on a "first contracted"--"first launch slot assigned" basis. The GOES launches have been contracted for commercially as mandated by Congress following the launch services policy changes made by the President after the loss of the space shuttle, Challenger.

c. NOAA does not manage the contract for the development or launch of GOES-NEXT satellites. The launch services contract with General Dynamics is managed for NOAA by NASA's Lewis Research Center and the spacecraft and instrument contract is managed by NASA's Goddard Space Flight Center.

The previous contract date for the launch of GOES-I, December 15, 1993, was negotiated by NASA and General Dynamics following the redirection of the GOES spacecraft activities in late 1991. Recently NASA announced a new spacecraft schedule which could support an April 1994 launch but which would be too late for a December launch. When General Dynamics was asked to modify the contract to support the April date, it was learned that the April launch slot was already under contract but that the next slot was available and could support a June launch. NASA is currently negotiating with General Dynamics to obtain the April slot if it becomes available for any reason and to insure that the June date can be supported in the worst case.

The NASA contract does have a provision which could be used to take priority for GOES over a commercial launch in the event of a "national emergency." However, the exercise of this clause provides for liquidated damages to both General Dynamics and their commercial customers which would result from the use of this provision. In view of the current state of contract negotiations and the inherent uncertainty of the present launch support situation, it is not recommended that this contract provision be exercised at this time.

QUESTION:

How is the rest of the launch schedule impacted?

ANSWER:

The projected launch of the GOES-J satellite in the spring of 1995 is also included in the current negotiations with General Dynamics and does not appear to be an issue at this time.

QUESTION:

You are you proposing a 36 percent increase in funding for GOES, partly for a launch vehicle in case launch of the GOES-K satellite is needed earlier than planned. Your budget justification indicates that GOES-K will be launched in 1999.

a. How much money is being requested specifically for GOES-K launch equipment in the FY 1994 budget?

b. Why do you need this increase for launch equipment when the satellite is not scheduled for launch until 1999?

c. Why do you think it might need to be launched sooner than planned?

d. What is the earliest that GOES-K could be launched?

ANSWER:

a. $36.3 million is requested in FY 1994 for GOES-K launch services.

b, c, & d. The scheduled launch date for GOES-K is 1999 based upon a presumption that GOES-I will be launched successfully in 1994 and will need replacement after providing service for five years - its design lifetime.

A second presumption is that GOES-J will be successfully launched in 1995 and that it will continue to provide service for five years. The GOES-K spacecraft will be completed in early 1996 and it will be available to serve as a backup to either GOES-I or J as early as May 1996. In view of the possibility that GOES-I or J could suffer either a launch failure or an earlier than projected on-orbit failure, it is prudent to provide for a replacement launch capability in 1996 when the spacecraft will be completed. If a replacement satellite is not needed in 1996 it will not be launched until required.

Polar Orbiting Environmental Satellite (POES)

QUESTION:

The NOAA Budget in Brief (page 28) indicates that in FY 1994, NWS plans the "Atlas launch of NOAA-J". Would you explain what that is and how it relates to the rest of the POES project? Is General Dynamics the contractor for launching POES and if so, will its recent problems with the Atlas Centaur impact the Polar program?

ANSWER:

The current NOAA series of polar environmental observation spacecraft including NOAA I and J uses a different family of Atlas launch vehicles than those used for GOES. The polar spacecraft are launched on General Dynamics Atlas ICBM launch vehicles originally manufactured in the 1960's. These ICBM launch vehicles have been extensively refurbished, modified and upgraded for use in commercial launch service application by General Dynamics under USAF management. The older modified Atlas ICBM (Atlas-E) has established a very good reliability record. Since its initial use by NOAA in 1979 a total of 7 NOAA spacecraft have been launched. One launch failure had been experienced and that occurred in 1980. Because of this history and the absence of systems or parts commonality between the two very different types of Atlas launch vehicles, there is no basis for anticipating any carryover of current General Dynamics launch vehicle problems to the NOAA polar spacecraft program.

Beginning with NOAA-K, the next series of 5 NOAA polar spacecraft (NOAA K,L,M,N and N′) are planned to be launched on Martin Marietta's Titan II launch vehicle also provided through the USAF.

QUESTION:

Why are so many satellites needed to provide continual two-satellite coverage? What is the operational life of each satellite.

ANSWER:

Fabrication, assembly and test of a spacecraft of proven design requires a period of about 5 years. If no launch or early in-orbit failures occur and current series spacecraft continue to provide at least 150% of their design lifetime (3 years rather than 2 years), then the current series of NOAA I,J,K,L, and M spacecraft could provide service until 1999. However, the last spacecraft in the current series is NOAA-M and that mission is scheduled for launch in mid-1997. NOAA policy requires that a replacement spacecraft be available for launch within 6 months in the event of a launch or early in-orbit spacecraft failure. For this reason in December 1992 NOAA authorized NASA to proceed with procurement of 2 "gap-filler" spacecraft designated NOAA N and N′ with the first of these missions to be ready for launch at the end of 1997.

QUESTION:

This is a joint NASA, Air Force, NOAA program. What is the cost sharing agreement?

ANSWER:

The USAF and NOAA both collect meteorological data on an operational basis from polar-orbiting spacecraft, while NASA periodically launches research missions that collect meteorological, environmental or climate data. At this time these are not joint programs.

The USAF and NOAA have cooperated closely in their two operational programs for more than 20 years. The results of that close cooperative effort have been a high degree of commonality in the spacecraft bus used by both programs, sharing of the data processing workload, and an extensive exchange of environmental data and products.

In the spacecraft area, where a single contractor provides spacecraft for both USAF and NOAA programs, parts commonality has reached 75-80%. Design improvements funded by one agency have been adopted by the other agencies. Critical components are "loaned" by one program to the other when unexpected problems occur. Payload instruments are generally different in the two programs largely reflecting different mission priorities and imperatives.

As a result of this long standing arrangement and continuing support by senior management in NOAA and the DOD, both programs benefit from the economies realized. There is no formal cost sharing agreement between any of the three agencies in the environmental spacecraft area.

QUESTION:

The private sector has proposed a plan for a joint DOD-NOAA polar satellite program. This would involve converging military and NOAA needs into one integrated satellite program.

a. Is NOAA considering a joint program?

b. What are the pros and cons of such a program?

c. Would the cost to NOAA be less than a NOAA-only program and if so, how much?

d. How would be the satellites proposed under the joint program differ from those that would be deployed under a NOAA-only program?

e. Would the schedule for the joint program be sufficient for NWS? Has NWS discussed the program with DOD?

f. Would legislation be required for a joint program?

ANSWER:

a) The DOD and NOAA have formally examined the feasibility of converging the NOAA Polar-orbiting Environmental Observation Satellite (POES) program and the DOD Defense Meteorological Satellite Program (DMSP) eight times since 1972. Convergence of parts or all of those two programs and the NASA Earth Observing Program is under active consideration by a team comprised of representatives of all 3 agencies.

b) There are many pros and cons to such an approach and those factors have been set forth in reports produced as part of the previous studies referenced above. Briefly, the advantages lie in the expectation that some streamlining of the programs could result with some corresponding reduction in the composite overall cost. Disadvantages are many, with difficult conflicts between operational and research priorities in terms of launch and relaunch decisions; conflicts between military security and the needs of operational weather services for assured data availability; military or civilian control; concerns that visible militarization of the U.S. program would result in cut-off or sharp curtailment of the even more valuable flow of global environmental data provided to the U.S. from foreign systems; and the very substantial cost of joint program management.

c) It is unclear that the total cost for a single consolidated program could be less than current projections for the sum of the two individual programs. If the consolidated program were managed by NOAA and included in the NOAA budget, NOAA costs would increase while the DOD budget in this area could be reduced. A single consolidated program would demand substantial compromises in orbit selection, payload composition, launch schedule relationship to optimum science windows, instrument failure relaunch policy, etc,. that effectively and perhaps substantially decrease the overall value of the composite program.

d) It is likely that the size, payload complexity and cost of any satellite proposed under a joint program would be greater than under a NOAA only program. The larger, heavier spacecraft will require a more powerful and costly launch vehicle.

e) It is assumed that the schedule for any joint program would occur after NOAA N and N′, (need date 2002), after DMSP Block 5D3 (need date 2005-6) and after EOS-PM-1 (need date 2005). These differences would require harmonization. Convergence of parts or all of the NOAA, DOD and NASA programs is under active consideration by a team comprised of representatives from all 3 agencies.

f) Legislation to define program scope and agency responsibilities would be necessary.

FLEET MODERNIZATION

QUESTION:

The FY 1992 Appropriations Act provided $33,200,000 for the Fleet modernization, shipbuilding and construction program. An additional $30,000,000 was provided in FY 1993. How much of these funds have been obligated to date?

ANSWER:

The total Fleet Modernization funds obligated through March 1993 is $26,368,943.

QUESTION:

In developing the fleet modernization plan, have you factored in sufficient flexibility to exercise multi-year contracting authority for long-term chartering and leasing arrangements, as recommended in GAO reports?

ANSWER:

Our fleet modernization planning process does include sufficient flexibility to use multi-year contracting authority where appropriate for chartering and leasing arrangements. NOAA will conduct a cost benefit analysis of each replacement ship type to determine the most advantageous approach to the government. This analysis will include economics, as well as operational and programmatic considerations. NOAA is now using chartering to meet short-term and unique needs.

QUESTION:

What do you consider to be the primary advantages (if any) of leasing or chartering vessels versus purchase of new vessels?

ANSWER:

Leasing or chartering is advantageous for meeting short-term or unique needs. For long-term needs, leasing or chartering could reduce the up-front costs and spread those costs over several years, but this may result in a greater total cost to the government.

NOAA AIRCRAFT

QUESTION:

What is the current status of the move of the NOAA Aircraft Operations Center from Miami to MacDill AFB in Tampa?

ANSWER:

NOAA's Aircraft Operations Center completed its move to MacDill Air Force Base in Tampa, FL on January 1, 1993.

QUESTION:

What are the current annual costs of the facility at MacDill Air Force Base?

ANSWER:

The estimated annual operating costs are $263,000. This estimate is based upon three months of operation at MacDill AFB.

QUESTION:

Are you proposing to carry out an aircraft modernization plan similar to the fleet modernization program currently underway? When will this review begin and be completed, and what are the costs associated with conducting this review?

ANSWER:

Yes, we are presently conducting an aircraft modernization study. The final draft for the NOAA Aircraft Modernization Study will be completed by May 6, 1993. To date approximately $10,000 has been spent for contractor support and travel by study committee members. The salaries of agency employees contributing to this effort are not included in the $10,000.

QUESTION:

Please provide for the record a list showing all existing NOAA-owned aircraft, the number of each, the age of each aircraft and its remaining expected lifespan.

AIRCRAFT	**AGE/Yrs**	**REMAINING SERVICE LIFE/YRS.**
HEAVY TURBOPROP (2)		
WP-3D Lockheed Orion	18	12
WP-3D Lockheed Orion	17	13
LIGHT JET (1)		
CE-550 Cessna Citation	15	15

LIGHT TURBOPROP (4)		
BE-90 Beechcraft King Air	21	9
DHC-6 DeHavilland Twin Otter	12	13
DHC-6 DeHavilland Twin Otter	13	12
AC-690 Gulfstream Turbo Cmdr.	19	9
LIGHT PISTON Twin Engine (2)		
AC-550 Rockwell Shrike Cmdr.	17	10
AC-550 Rockwell Shrike Cmdr.	16	11
LIGHT PISTON Single Engine (1)		
C-210 Cessna Centurion	16	9
MEDIUM HELICOPTER Twin Engine (2)		
B-212 Bell 212	14	11
B-212 Bell 212	14	11
MEDIUM HELICOPTER Single Engine (1)		
UH-1H Bell 205	27	3
LIGHT HELICOPTER Single Engine (1)		
MD500D Hughes 500	14	11

Total number of aircraft (14)

QUESTION:

How many air hours are being flown under the FY 1994 request? How many additional hours of flight time were requested by the NOAA bureaus that were not funded in this request? Please provide details for the record on the amount of flight time requested by program and what was actually funded in this request. Include specifics on the reasons for denying these requests.

ANSWER:

The distribution of flight hours provided by the Aircraft Operations Center (AOC) is determined by NOAA's Aircraft Allocation Council (NAAC). The NAAC is scheduled to convene later this month to allocate the amount of flight hours for FY 94. The numbers shown below reflect the hours that are expected to be approved by the NAAC for FY 94:

PROGRAM/ LINE OFFICE	**HOURS EXPECTED TO BE ALLOWED**	**HOURS REQUESTED BY PROGRAM**
1. Coastal Observation and Simulation with Topography (PMEL):	50	65
2. Ocean Remote Sensing Experiment (WPL)	35	50

3. Tornado Field Program	75	125
4. Southwest N. American Monsoon Investigation (NSSL)	75	100
5. Airborne Studies of the Impact of N. American Pollution and Global Ozone Levels (AL)	80	104
6. Hurricane Field Program (AOML/HRD)	110	150
7. Hurricane Reconnaissance (NWS)	75	75
8. Pilot Training/ Instruments Calibration (AOC)	100	100
9. Airborne Gamma Radiation Snow Survey (NWS)	600	600
10. Marine Mammal Assessment	815	815
11. Flight Edit/Minimum Safe Altitude Warning (MSAW)	450	450
12. Coastal Mapping	700	700
Totals:	3,090	3,676

The additional flight hours requested but not expected to be allocated by the NAAC results from base funding limitations.

Note: The FAA supports the Flight Edit mission for an additional 450 hours as described in the answer to question #6 below.

QUESTION:

What other Federal agencies' programs are supported by NOAA aircraft? How many flight hours will be flown for each of these agencies? Please provide details for the record, including the costs associated with these missions and the amount actually to be reimbursed by other agencies.

ANSWER:

The Aircraft Operations Center (AOC) is reimbursed for the actual cost of reimbursable missions. Other Federal agencies currently supported by NOAA aircraft consist of:

PROGRAM (Agency)	**Flight Hours**	**Actual Cost/ AOC Reimbursed**
Airport Obstruction Charting (FAA)	390	$150K
Flight Edit (FAA)	450	$110K

In addition to the above, the following programs are expected to be supported for other agencies during FY 94:

PROGRAM (Agency)	**Flight Hours**	**Actual Cost/ AOC Reimbursed**
Bowhead Whale Studies (MMS)	85	$110.5K
SHOALS (laser hydrography) (ARMY Corps of Eng.)	400	$520K
Sea Ice Mechanics (ICEX) (Navy-ONR)	55	$71.5K

Fishing Vessel Obligations Guarantees

QUESTION:

Your budget proposal includes no request for additional loan guarantees under the Fishing Vessel Obligation Guarantee program.

a. What is the current status of the FY 1993 program -- are loans being approved?
b. What is the current backlog of loan applications under this program?

ANSWER:

NOAA and the Department of Commerce currently are finalizing a policy and Federal Register Notice regarding loan eligibility for FY 1993. The FVOG Program is accepting and reviewing applications. Based on this policy and the credit-worthiness of the applicant, loans will be approved within the overall guarantee ceiling of $47 million available for FY 1993.

252 potential applicants have expressed interest in loan guarantees. Of the 252, thirty percent have not requested specific amounts of guaranteed financing. The remaining

70% have requested loan guarantees in the aggregate amount of $287.5 million. In FY 1993, the Program has $47.0 million in loan guarantee authority. Applicants are being considered in chronological order from a waiting list begun in July 1991.

QUESTION:

The Commerce Budget in Brief (page 60) states that this program's objectives have been accomplished and continued funding is no longer required. What do you consider the program's objectives to be?

ANSWER:

The FVOG program was intended to provide credit on terms that were more consistent with the structure of the assets (i.e. longer term/lower interest) than was available in the private credit market, thus helping to reduce financial instability in the highly cyclical fishing industry. Current market conditions allow the provision of credit on terms adequate to meet the needs of the industry. Therefore, the FVOG Program is no longer required.

QUESTION:

What amount is being spent in FY 1993 for administration of this program? Where does this show up in your budget tables?

ANSWER:

The FY 1993 appropriation bill instructed NOAA/NMFS to absorb the administrative costs of the FVOG program within the OR&F appropriation. For FY 1993 these costs total about $1.7 million. This item is not separately identified in the budget tables.

QUESTIONS FROM CONGRESSMAN CARR

Questions for NOAA

QUESTION:

While I am pleased to see that several programs that affect the Great lakes have not been cut, I am concerned that the Great Lakes are not funded as fully as our coastal states. A good example of funding that has been cut is in the eradication of the zebra mussel. Please provide this Subcommittee with a breakdown of where funds have been appropriated in the Great lakes versus funding of coastal state programs. What has been cut? What has been funded?

ANSWER:

The following tables provide a breakdown of allocations to the Great Lakes states as compared to the other Coastal States. From FY 1992 to FY 1994, allocations to the Great Lakes states have grown 24.9% while allocations to the Coastal states have grown 16.2%. Note these comparisons do not include grants to states, as the FY 1993 and FY 1994 figures are not yet available.

Also included are FY 1993 add-ons versus add-ons proposed for termination in the FY 1994 request for the Great Lakes states versus Coastal States.

ALLOCATIONS TO COASTAL STATES - FY 1992 - FY 1994

	FY 1992 W/Grants	Actual W/O Grants	FY 1993 Estimate*	FY 1994 Request*
Alabama	$4,586	$3,389	$4,246	$4,558
Alaska	66,513	52,186	55,900	56,664
California	40,790	32,898	34,913	89,211
Connecticut	8,363	4,092	3,750	3,958
Florida	58,176	44,022	43,100	41,885
Georgia	7,486	5,222	6,272	6,897
Hawaii	22,614	13,837	14,714	12,454
Louisiana	12,448	6,605	7,199	5,629
Maine	5,607	2,400	2,913	3,121
Maryland	790,454	782,239	781,437	894,418
Massachusetts	48,505	35,712	35,934	35,842
Mississippi	26,104	23,646	24,326	23,912
New Hampshire	4,882	324	385	489
New Jersey	21,474	12,261	12,901	13,109
New York	17,507	10,780	13,243	13,451
North Carolina	32,325	23,500	24,398	24,814
Oregon	25,574	8,587	7,110	6,330
Rhode Island	4,573	343	388	492
South Carolina	18,484	9,651	8,709	7,299
Texas	24,350	20,799	23,478	24,649

Virginia	53,959	48,118	44,012	74,174
Washington	93,729	78,787	73,271	73,366
Total	$1,388,503	$1,219,398	$1,222,599	$1,416,722
	% Change -		0.26%	15.88%
	% Change FY 1992 - FY 1994			16.18%

* Note: Grant obligations are not included for FY 1993 and FY 1994 since state allocations have not been determined.

ALLOCATIONS TO GREAT LAKES STATES - FY 1992 - FY 1994
($000'S)

	FY 1992 W/Grants	Actual W/O Grants	FY 1993 Estimate*	FY 1994 Request*
Illinois	$3,576	$1,834	$2,676	$2,988
Indiana	3,516	3,516	4,373	4,685
Michigan	15,182	10,764	12,654	11,374
Minnesota	5,206	4,429	5,296	5,608
New York	17,507	10,780	13,243	13,451
Ohio	6,723	4,814	5,864	6,489
Pennsylvania	7,571	6,552	8,197	8,717
Wisconsin	7,720	4,072	4,878	5,086
Total	$67,001	$46,761	$57,181	$58,398
	% Change -		22.28%	2.13%
	% Change FY 1992 - FY 1994			24.89%

* Note: Grant obligations are not included for FY 1993 and FY 1994 since state allocations have not been determined.

FY 1993 ADD-ONS VS TERMINATIONS BY COASTAL STATE
($000'S)

	FY 1993 ADD-ONS	PROPOSED TERMINATION	% OF TOTAL ADD-ONS
Alabama			
Alaska	$7,223	$1,683	23.30%
California	345	140	40.58%
Connecticut	3,431	3,431	100.00%
Florida	2,650	2,650	100.00%
Georgia			
Hawaii	10,604	5,884	55.49%
Louisiana	3,154	2,674	84.78%
Maine	1,047	0	0.00%
Maryland	2,290	400	17.47%
Mississippi			
Massachusetts	2,392	2,392	100.00%
New Hampshire	17,174	15,274	88.94%
New Jersey	2,109	2,109	100.00%
New York			
North Carolina	4,124	3,942	95.59%

Oregon	15,000	11,172	74.48%
Rhode Island			
South Carolina	22,441	2,214	9.87%
Texas			
Virginia	1,500	1,500	100.00%
Washington	5,706	0	0.00%
Total	$101,190	$55,465	54.81%

FY 1993 ADD-ONS VS TERMINATIONS BY GREAT LAKES STATE
($000'S)

	FY 1993 ADD-ONS	PROPOSED TERMINATION	% OF TOTAL ADD-ONS
Illinois			
Indiana			
Michigan **	$4,876	$3,911	80.21%
Minnesota			
New York			
Ohio			
Pennsylvania			
Wisconsin			
Total	$4,876	$3,911	80.21%

** Add-ons in FY 1993:

Great Lakes Mapping Project	$465
Great Lakes Fishery Commission	200
Great Lakes nearshore research	500
Zebra mussel	911
Sea Grant - Zebra mussel	2,800
Total	$4,876

Terminations proposed in FY 1994 budget:

Great Lakes Fishery Commission	$200
Zebra mussel	911
Sea Grant - Zebra mussel	2,800
Total	$3,911

QUESTION:

Does NOAA have any plans to establish a Great Lakes Coordinating Office? Do you feel that one is needed?

ANSWER:

NOAA established the Great Lakes Research Office in January, 1993. This office was established as directed by the Federal Water Pollution Control Act, and will also serve as the Great Lakes counterpart to the Regional Marine Research Program (RMRP). The mission of this office includes identification of new research issues, inventory of research programs in the region, and coordination of research with EPA and other relevant agencies. NOAA believes that a separate coordination office is unnecessary.

NOAA Great Lakes Questions

QUESTION:

The Great Lakes Environmental Research Laboratory's (GLERL) study of zebra mussel infestations in Lake Huron's Saginaw Bay is a ecosystem-level study that will provide valuable, unprecedented insight into how this nuisance species affects the health of the Great Lakes and other U.S. water bodies. Why is this study being terminated in the FY 1994 Budget proposal? Who decided to kill the study? NOAA? Commerce? OMB? Please provide a detailed explanation of how and why this decision was reached.

ANSWER:

In order to assist with Federal deficit reduction, NOAA was asked by OMB to identify $66 million in terminations of lower priority programs, which may include non-recurring programs. The selection of the individual projects was difficult. One of the terminations which NOAA identified was funding for the Saginaw Bay study on the ecosystem effects of zebra mussels. Current plans are to complete the field work in this study in FY 1993. It is NOAA's assessment that a sufficient body of research is currently being undertaken, much of it funded by the public and private sectors, and that our efforts should concentrate on outreach activities to prevent and slow the spread of zebra mussels to other areas. Continuation of outreach efforts can be supported within the base Sea Grant program.

QUESTION:

The Clinton Administration promotes an ecosystem-oriented approach to solve our nation's environmental problems. GLERL's on-going study of zebra mussels in the Great Lakes has a multi-agency ecosystem focus that the Clinton Administration ought to be using as a model to guide cost-effective aquatic research elsewhere. Why has NOAA, the Commerce Department, and/or OMB chosen to ignore President Clinton's commitment to such ecosystem-based studies?

ANSWER:

NOAA does support the Clinton Administration's ecosystem-oriented approach to environmental problems, as is shown by the agency's continued support of coordinated ecosystem research at GLERL which seeks to improve predictions of ecological change that result from man-made and natural perturbations. These programs are quantifying the relationships among fish populations, the lower food web, and physical factors and will provide estimates of biotic biomass for use in ecological simulation models. NOAA's Coastal Ocean Program (COP) also sponsors ecosystem oriented research in NOAA labs and academia through its Nutrient Enhanced Coastal Ocean Productivity (NECOP) program in the Gulf of Mexico, and COP-sponsored Coastal Fishery Ecosystem Studies.

QUESTION:

To date, what is the total economic cost associated with the zebra mussel's spread over U.S. lakes and waterways? What costs are predicted for the future? How does this compare with past and planned funding for research to control and eradicate this nuisance species?

ANSWER:

A survey sponsored by Michigan Sea Grant found that 93 U.S. water intakes on the Great Lakes spent $2.52 million, or an average of $103,000 per intake, to mitigate the problem in 1991. They estimated spending an average of $271,000 per intake in 1992. Extrapolating to the 2000 U.S. intakes in the Great Lakes basin, this problem alone may cost $500 million annually to U.S. companies with water intakes. In a separate study, the U.S. Fish and Wildlife Service estimated that zebra mussel mitigation would cost $4-5 billion over 10 years. NOAA has spent approximately $12 million on research and outreach efforts on the zebra mussel beginning in FY 1991.

QUESTION:

In December 1992, NOAA formally established a Great Lakes Research Office at GLERL. NOAA's proposed FY 1994 budget includes $2.1 million to fund activities of regional marine research centers as identified in Title IV of the Marine Protection Research, and Sanctuaries Act. This statute identifies NOAA's Great Lakes Research Office as the tenth regional marine research center. Will the Great Lakes Research Office receive funding within provisions to support regional marine research centers? If so, at what level? If not, why not?

ANSWER:

The Great Lakes Research Office cannot receive funding under the Regional Marine Research Program (RMRP) because, while it is legally considered the Great Lakes counterpart to the RMRP, it is not authorized to receive funds under the RMRP. The Great Lakes Research Office is authorized under the Federal Water Pollution Control Act. This authorization is referenced in the Marine Protection Research, and Sanctuaries Act (MPRSA).

QUESTION:

In May 20, 1992, testimony, NOAA assured the Congress that GLERL's 40-year-old research vessel, the R/V SHENEHON would be replaced during the earliest part of NOAA's Fleet Replacement and Modernization Plan (FRAM). Has NOAA dedicated sufficient 1994 fiscal year funds to construct a replacement vessel for GLERL? If not, why not? When will GLERL's vessel be replaced?

ANSWER:

Design of a replacement vessel for the R/V SHENEHON is currently underway using funds that were appropriated in FY 1993. Design will be completed early in FY 1994 and a construction contract package prepared. Fleet Modernization funding requested by NOAA for FY 1994 does not include funds to build a replacement for the SHENEHON.

QUESTION:

Language in the House Commerce, Justice, and State, the Judiciary, and Related Agencies Conference report for the 1993 fiscal year requested that: "...the Commerce Department consider the use of fiscal year 1993 funds provided under this heading (Fleet Modernization, Ship Building and Conversion) to replace the NOAA research vessel on the Great Lakes, the R/V SHENEHON." Has NOAA expended fiscal year 1993 funds in designing and/or constructing a replacement vessel? If so, please provide a detailed list of expenditures and activities they support.

ANSWER:

The Fleet Replacement and Modernization spending plan for FY 1993 includes $300,000 for completing the requirements definition, feasibility studies, conceptual design, and specification development for the replacement of the R/V SHENEHON. These activities have been completed or are currently underway in preparation of a construction contract package.

QUESTION:

Last year, the Congress passed, and President Bush signed, the first NOAA authorization in the agency's 22-year history. The act included FY 1993 funds to support activities at the University of Michigan/Michigan State

University's Cooperative Institute for Limnology and Ecosystems Research (CILER). Does President Clinton's FY 1994 budget request designate any funds for this program? Why or why not?

ANSWER:

NOAA has designated $100,000 to fund the Cooperative Institute for Limnology and Ecosystems Research in FY 1994.

QUESTION:

The NOAA FY 1993 authorization included funds to start up and carry out a 5-year GLERL-led study of select large lakes of the world. Does the President's FY 1994 budget request designate any funds for this program? Why or why not?

ANSWER:

The President's FY 1994 budget request does not designate any funds for this program. NOAA is continuing its studies of the United States Great Lakes, however, the study of other large lakes of the world was deemed to be of lower priority.

QUESTION:

What steps has NOAA taken to implement the new EPA\NOAA national coastal water quality monitoring program mandated within last year's NOAA authorization Act? Has NOAA been provided any funds to implement this new program within the President's FY'94 request? If not, why not? If funds have been identified, what portion of these funds will be allocated to support coastal water quality monitoring in the Great Lakes. What NOAA components will carry out this monitoring in the Great Lakes and elsewhere?

ANSWER:

NOAA has developed an implementation plan for its new responsibilities under the National Coastal Monitoring Act (NCMA). The plan is coordinated closely with the EPA and complements existing major coastal monitoring efforts, i.e., the NOAA National Status and Trends Program for Environmental Quality Measurements and the EPA Environmental Monitoring and Assessment Program for estuarine and near coastal waters. No funds are requested in the President's FY 1994 budget NOAA to implement the NCMA.

QUESTION:

How much money did NOAA's Coastal Ocean Program spend on solving problems in the Great Lakes in FY 1993? What percentage of the Coastal Ocean Program funding will be allocated to Great Lakes research in FY 1994?

ANSWER:

Coastal Ocean Program activities are currently conducted in several U.S. coastal regions, including the Great Lakes. The specific regional location of projects is determined by external and internal peer review of program development and projects. The results of many research efforts, of course, are applicable to areas beyond the specific location of the project. In FY 1993, the Coastal Ocean Program will spend approximately $250K directly on problems in the Great Lakes. This level of spending in the Great Lakes should be maintained in FY 1994 from a total proposed COP budget of $11.9M. The Coastal Ocean Program will continue to encourage NOAA and academic Great Lakes research community to contribute its valuable expertise to research efforts in U.S. coastal regions, including the Great Lakes.

QUESTION:

What percentage of the total FY 1993 funding for NOAA's Climate and Global Change Program was directed to fund Great Lakes Research? What portion of the FY 1994 Climate and Global change funds will be allocated to Great Lakes research?

ANSWER:

NOAA is committed to building a climate and global change research program in partnership with the academic community. Therefore, approximately 50% of its funds are provided for extramural support through a competitive, peer-reviewed process. In FY 1993, approximately $334,000 in extramural support was provided for regional climate modelling of the Great Lakes Basin and retrospective analysis of water temperatures, lake ice, and fish communities. The FY 1994 proposal process is just underway, and no figures are available at this time.

In addition to funding specific climate and global change projects related to the Great Lakes basin, NOAA awarded approximately $1 million to academic institutions in the Great Lakes states for climate and global change research.

QUESTION:

The President's FY 1994 budget request zeroed-out $700,000 in National Marine Fisheries Service (NMFS) funds supporting activities of the Great Lakes Fishery Commission. The NOAA budget justification document explained that these funds were eliminated from the FY 1994 budget request because NMFS has no responsibility or jurisdiction in Great Lakes fishery matters. If this is the case, then why is NMFS signatory to the June 7, 1981 Memorandum of Acceptance (MOA) of the Great Lakes Fishery Commission's Joint Strategic Plan for Management of Great Lakes Fisheries?

ANSWER:

While NOAA was signatory to MOA of the Great Lakes Fishery Commission's Joint Strategic Plan for Management of the Great Lakes Fishery, under the terms of the compact, the Fish and Wildlife Service (F&WS) is the Federal agency with the lead responsibility for sea lamprey control. The appropriation to NOAA for FY 1993 was an add-on not requested in the President's Budget and over which NOAA has no oversight. Moreover, although NOAA has a definite interest in the matters of the Great Lakes and sea lamprey control, including an investigation of the potential for development of a commercial fishery for tanning purposes, as long as no commercial fishery exists we have only a secondary role to play in sea lamprey control. Continuation of such funding, if necessary, should be in the F&WS budget, not NOAA's, for sea lamprey control.

Oil Spill Research

QUESTION:

In the fiscal year 1993 DOT Appropriations Act, it was directed that $2,000,000 in Coast Guard appropriations be provided for establishment of the South Florida Oil Spill Research Center. Although the original funding was provided by the Coast Guard, my review of this project has led me to believe that it might be a more appropriate function of NOAA, since it is more related to oceanographic research than to oil spills. Have you reviewed this project to see if it fits within the responsibilities of NOAA's research program?

ANSWER:

NOAA has an excellent working relation with the Coast Guard whereby NOS' Hazmat program has been asked by their R&D Center to monitor the results of the project, namely, the Ocean Surface Current Radar (OSCR), for possible applications in oil spill research. Since NOAA is currently receiving the benefit of OSCR research, NOAA would prefer to leave the funds with the Coast Guard.

OSCR is an instrument for determining wave heights, similar to NOAA's Codar system at the Wave Propagation Lab. The Coast Guard has been directed to give $2 million a year to the Rosenstiel School of Marine and Atmospheric Sciences, University of Miami. The funds are used for Bragg-scattered radar purchase, data processing, cruises, and salaries for the investigators who will test OSCR for marine pollution events.

Using the dual radar technique, the direction (map) from vector fields of the ocean surface out to 50 kilometers can be determined. This technique can be used to determine oil/chemical spill trajectories, fishery oceanography applications and provide date sets for forecast models.

QUESTIONS FROM CONGRESSMAN TAYLOR

Questions for NOAA

QUESTION:

What is the current estimate of when the nationwide process of installing Doppler radars will begin and what is the best estimate of when the process will be completed?

ANSWER:

In FY 1992, the NEXRAD program completed its Limited Production Phase (LPP) of 10 units. Full Scale Production Phase also began. Deployment of NEXRAD is continuing in FY 1993 and will be completed in FY 1996.

QUESTION:

After 1996, I understand that a certification process will be used to determine which weather forecasting offices will remain open. How will this process work? Will people who routinely use the services of the National Weather Service, such as emergency managers, the National and State Forest Services, public utility companies, and private industry, be included in the decision-making process? How will others who do not directly use the National Weather Service be involved?

ANSWER:

Public Law 102-567, passed in October 1992, made key changes to the NWS certification process for safely closing, consolidating, relocating or automating Weather Service Offices and Weather Service Forecast Offices. Under the law, no field office will close before January 1, 1996. Field offices that are closed will have a liaison officer in the area for at least two years to ensure quality of service. Before a field office closes, NWS will offer detailed information on area weather conditions and how new equipment and staff will meet or exceed current levels of services. Services at an airport cannot be closed down unless the Commerce and Transportation Departments conduct a joint air safety appraisal to ensure services will not degrade. If a field office is the only one in a state, the Secretary of Commerce must evaluate the proposed closure to ensure state users an equivalent level of service.

The law requires the National Research Council to review certification criteria by next June to decide if the NWS criteria for closing, automating, relocating or consolidating has met appropriate scientific and technical criteria. The Council will assess commissioning procedures for equipment, the statistical and analytical measures used to determine if new services meet or exceed previous levels of services, and add new requirements it deems necessary.

The law also created a Modernization Transition Committee to advise the Secretary of Commerce on proposed certifications. The committee will also report on Strategic Plan, this annual report and other public safety matters. Members of the committee will include weather service employees, meteorological experts, private sectors users, NWS, DOD, FAA, Federal Emergency Management Administration, civil defense and public safety organization, news media and labor groups. The Secretary of Commerce may request the Modernization Transition committee to review any proposed certification and should do so if there is a significant possibility service will be degraded within the service area.

NWS will publish proposed certifications in the Federal Register for public comment as well as publishing final certifications in the Federal Register. NWS will also submit certifications to the Congressional Commerce and Science Committees.

QUESTION:

I am all too aware of the tight budget constraints facing this country. Could you explain why the National Weather Service provides weather data free of charge to a variety of private companies which then resell the data to the public on I-900 numbers or by other means? These private companies often do not make it clear that their services are available free of charge from the National Weather Service and also do not clarify that they are private, for-profit companies. How do you feel about these companies and would you support a fee for the weather data provided by the National Weather Service?

ANSWER:

The NWS charges a user fee for access to its weather information data bases. This fee is based on the NWS cost of distributing this data to private companies. These user fees go to the General Fund of the Treasury. We have been charging user fees for our data since FY 1982.

QUESTION:

I have heard that the new Weather Coordination Officers (WCOs), which are to take the place of the closed weather forecasting offices, will be available during normal working hours only (Monday through Friday, 8:00AM to 5:00PM) and will work from a desk at a local emergency management office (rather than occupying their own office). Is their function primarily public relations? Although weather forecasting offices are being closed, the local communities are being told that Weather Service personnel are still being stationed in the area. Since weather emergencies don't confine themselves to a Monday through Friday, 9 to 5 schedule, what is the contribution of the WCOs to weather forecasting during the hours when their offices are closed and they are not on duty?

ANSWER:

The Weather Coordination Officers (WCOs) will not have forecast and warning responsibilities. The duties of the WCOs are public preparedness, education and liaison activities. The Weather Forecast Offices will have responsibility for warnings and forecasts.

TUESDAY, APRIL 27, 1993.

ECONOMICS AND STATISTICS ADMINISTRATION

ECONOMIC AND STATISTICAL ANALYSIS BUDGET

SALARIES AND EXPENSES

WITNESSES

FREDERICK T. KNICKERBOCKER, EXECUTIVE DIRECTOR, ECONOMICS AND STATISTICS ADMINISTRATION

CAROL S. CARSON, DIRECTOR, BUREAU OF ECONOMIC ANALYSIS

B. JEROME JACKSON, DIRECTOR, OFFICE OF ADMINISTRATION

CLIFTON T. BECK, BUDGET OFFICER, ECONOMIC AND STATISTICAL ANALYSITCL ANALYSIS BUDGET

BRENDA GALLAGHER, BUDGET ANALYST, ECONOMIC AND STATISTICAL ANALYSIS BUDGET

MARK E. BROWN, DIRECTOR, OFFICE OF BUDGET

Mr. SMITH. Continuing with our review of the Department of Commerce fiscal year 1994 budget request, this afternoon we have before us Economics and Statistics Administration. We will begin with the Economic and Statistical Analysis account, which funds the Office of the Under Secretary and the Bureau of Economic Analysis. The request for FY 1994 is $49,802,000—an increase of $10,449,000 over the amounts originally appropriated for FY 1993.

We will insert the justification materials submitted in support of this request into the record at this point.

[The justifications follow:]

DEPARTMENT OF COMMERCE
ECONOMICS AND STATISTICS ADMINISTRATION
Economic and Statistical Analysis Budget

Budget Estimates, Fiscal Year 1994
President's Budget

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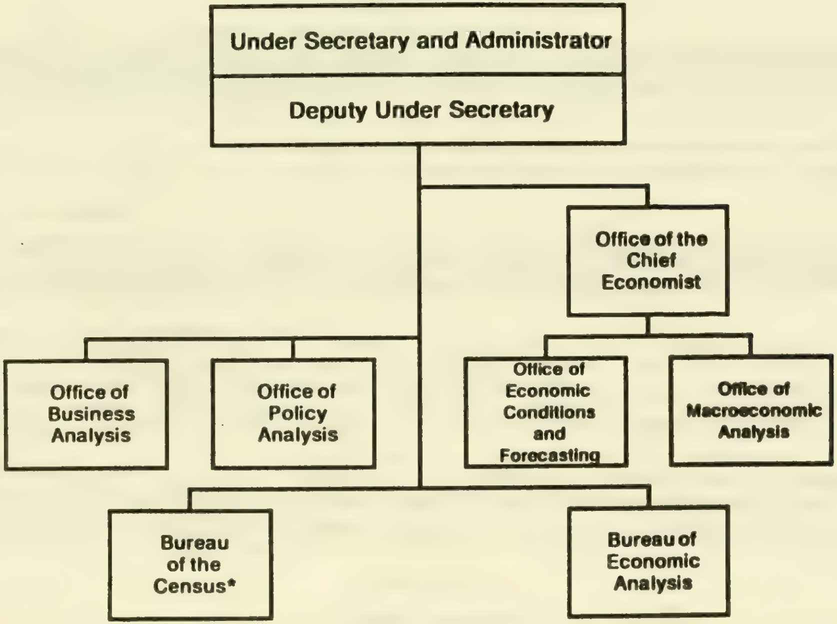
April 1993

Exhibit :

U.S. Department of Commerce
Economics and Statistics Administration


Under Secretary and Administrator
Deputy Under Secretary
Office of the Chief Economist
Office of Business Analysis
Office of Policy Analysis
Office of Economic Conditions and Forecasting
Office of Macroeconomic Analysis
Bureau of the Census*
Bureau of Economic Analysis

**The Bureau of the Census reports to the Under Secretary but is funded through separate appropriations.*

Exhibit 3

Economics and Statistics Administration

Economic and Statistical Analysis Budget
Budget Estimates, Fiscal Year 1994
President's Submission

General Statement

Economic growth, job creation, and competitiveness are of primary concern to this Administration and are the focus of the Department of Commerce agenda. To accomplish its agenda, Commerce must continue to support a sound information base upon which industry and government can build solid policies and smart decisions. Accurate measurement and interpretation of the economy are essential elements of most economic decisions, whether it is the President and Congress determining economic policy or an entrepreneur deciding to open a new business.

The Under Secretary for Economic Affairs and Administrator of the Economics and Statistics Administration manages the collection, tabulation, and publication of a wide array of economic, demographic, and social statistics and supports the Secretary and other senior Government officials in interpreting the state of the economy and in developing economic policy. The Bureau of Economic Analysis (BEA) is one of the principal Federal agencies that provide economic statistics. BEA's role is to provide a clear picture of the U.S. economy through the preparation, development, and analysis of the economic accounts of the United States. (The Bureau of the Census budget is submitted under separate cover.)

BEA's economic accounts are at the apex of the Federal statistical system in that BEA assembles the nation's diverse economic data into an integrated and comprehensive system of economic accounts. This system of economic accounts--national, international, and regional--is critical to those who must understand the economy and whose decisions determine the economy's course.

Economic Statistics Initiative

The Economic Statistics Initiative is based on a careful balance between improvement goals and budget limitations. Strengthening the statistical infrastructure, although not a "headline grabber," finds broad support because it leads to gains through informed economic decisions.

Recently, the United Nations formally adopted a revised System of National Accounts (SNA). In addition, the International Monetary Fund recently adopted the revised Balance of Payments Manual. Moving the economic accounts toward these international standards is a key feature of the modernization under the Statistics Initiative. The FY 1994 budget proposes $2.2 million to continue the effort to introduce the new frameworks and upgrade the estimates to be presented in them.

Up to now the Economic Statistics Initiative in BEA has concentrated on improved frameworks and estimating methodologies. Underlying this work is the fundamental need for good source data. ESA's FY 1994 budget provides for the implementation of source data improvements in the most critical areas. The request for $800 thousand in this budget would be used to develop and acquire selected data from private sector and Federal agency sources that will address immediate quality issues in both the national and international economic accounts.

Tradeoffs

Every management decision that affects resources begins with a look inward to see whether implementation can be accomplished within existing funds or with self-supporting fees. Very few initiatives meet the tests for new appropriations. As a consequence of routine management review, tradeoffs of existing programs to accommodate those of higher priority occur on a regular, frequent basis. Improvements consistent with the Economic Statistics Initiative got their start at BEA from funds redirected by discontinuing BEA's econometric model and the publication of Business Conditions Digest. The advanced methods of delivery (CD-ROM, fax) for the National Trade Data Bank (NTDB) and other products are paid for by the users. The scrutiny that often results in tradeoffs will continue.

Quality

ESA's emphasis on the quality of economic statistics carries through to other aspects of its work. Indeed, we are applying the "customer first" approach to all aspects of the organization, from improved packaging and delivery, as evidenced by the popularity of the NTDB and the Economic Bulletin Board (EBB), to a renewed focus on customer service, such as BEA's public information improvement project. BEA's Quality Council is initially extending our focus on quality to consider internal customers.

Appropriation Summary

A comparison of the FY 1993 appropriation and the FY 1994 estimate is shown below.

	1993 Appropriation		1994 Estimate		Inc.(+) or Dec.(-)		Perm. Emp.
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	12/92
Salaries and expenses..............................	601	$39,353	566	$49,802	-35	+$10,449	526

Exhibit 5

Department of Commerce

Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses

SUMMARY OF RESOURCE REQUIREMENTS

(Dollar amounts in thousands)

Page No		Positions	Budget Authority	FTE	Direct Obligations
	Amout available as shown in 1994 President's Budget, 1993	601	49,330	551	49,566
	less: Transfers – Not Implemented	0	(2,377)	0	(2,377)
	Amount Currently Available, 1993	601	46,953	551	47,189
	less: Transfers per P.L. 102–395 – Implemented	0	(7,600)	0	(7,600)
	Appropriation, 1993	601	39,353	551	39,589
ESA-9	plus: 1994 adjustments to base	(47)	7,449	(37)	7,449
	less: Prior year recoveries	0	0	0	(236)
	1994 Base	554	46,802	514	46,802
	plus: 1994 program changes	12	3,000	9	3,000
	1994 Estimate	566	49,802	523	49,802

Page No	Comparison by activity/subactivity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	Economic Analysis											
ESA-15	National economic accounts...........	Pos/BA	206	$14,634	208	$15,375	189	$16,632	196	$17,832	7	$1,200
		FTE/Obl.	165	14,606	192	15,375	177		182		5	
ESA-27	International economic accounts....	Pos/BA	201	12,211	205	12,737	184	14,015	189	15,015	5	1,000
		FTE/Obl.	163	12,206	189	12,737	171		175		4	
ESA-43	Regional economic accounts.........	Pos/BA	84	4,617	82	5,019	77	5,547	77	5,547	0	0
		FTE/Obl.	70	4,575	77	5,019	74		74		0	
ESA-47	Analysis of economic trends..........	Pos/BA	36	3,237	33	3,342	32	3,538	32	3,538	0	0
		FTE/Obl.	27	3,209	29	3,342	29		29		0	
ESA-51	Develop and acquire source data...	Pos/BA	0	0	0	0	0	0	0	800	0	800
		FTE/Obl.	0	178	0	236	0		0		0	
	Subtotal..	Pos/BA	527	34,699	528	36,473	482	39,732	494	42,732	12	3,000
		FTE/Obl.	425	34,774	487	36,709	451		460		9	
ESA-57	BEA relocation................................	Pos/BA	0	0	0	5,000	0	1,500	0	1,500	0	0
		FTE/Obl.	0	0	0	5,000	0		0		0	
	Total, Economic Analysis...............	Pos/BA	527	34,699	528	41,473	482	41,232	494	44,232	12	3,000
		FTE/Obl.	425	34,774	487	41,709	451		460		9	
	Policy Support											
ESA-61	Policy support............	Pos/BA	77	5,681	73	5,480	72	5,570	72	5,570	0	0
		FTE/Obl.	64	5,519	64	5,480	63		63		0	
	Total, Direct Obligations......	Pos/BA	604	40,380	601	46,953	554	46,802	566	49,802	12	3,000
		FTE/Obl.	489	40,293	551	47,189	514		523		9	

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

	1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Adjustments to Obligations										
Recoveries		0		0		0		0		0
Unobligated Balance, start of year		(414)		(236)		0		0		0
Unobligated balance transferred		0		0		0		0		0
Unobligated Balance, end of year		236		0		0		0		0
Unobligated balance expiring		265		0		0		0		0
Financing from transfers:										
Transfer from other accounts		0		(7,600)		0		0		0
Transfer to other accounts		0		0		0		0		0
Appropriation		40,380		39,353		46,802		49,802		3,000

Exhibit 7

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

Comparison by activity	FY 1992 Actual	FY 1993 Currently Available	FY 1994 Base	FY 1994 Estimate	FY 1994 Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	$43,297	$42,244	$49,483	$52,483	$3,000
Offsetting collections from:					
Federal funds	(2,136)	(1,520)	(1,546)	(1,546)	0
Trust funds	0	0	0	0	0
Non–Federal sources	(868)	(1,135)	(1,135)	(1,135)	0
Recoveries	0	0	0	0	0
Unobligated balance, start of year	(414)	(236)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	236	0	0	0	0
Unobligated balance expiring	265	0	0	0	0
Budget Authority	40,380	46,953	46,802	49,802	3,000
Financing:					
Transferred from other accounts	0	(7,600)	0	0	0
Transferred to other accounts	0	0	0	0	0
Appropriation	40,380	39,353	46,802	49,802	3,000

Exhibit 8

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
ADJUSTMENTS TO BASE

Adjustments to Base	Positions	FTE	Amount ($000)
TRANSFERS:			
Transfer to "Working Capital Fund", Office of the Secretary	(2)	(2)	$0
ADJUSTMENTS:			
FY 1993 Reestimate of FTE and positions	(37)	(37)	0
Administrative savings	0	0	(204)
FTE reduction	(8)	(8)	(594)
BEA relocation	0	0	1,500
Continuation of FY 1993 operating level	0	10	2,600
Subtotal, Adjustments	(45)	(35)	3,302
ESTIMATED COST CHANGES:			
FY 1993 pay raise	0	0	216
Within-grade step increases	0	0	438
Civil Service Retirement System (CSRS)	0	0	(117)
Federal Employees Retirement System (FERS):			
Federal Employees' Basic Benefits	0	0	216
Thrift Savings Plan	0	0	34
Federal Insurance Contribution Act (FICA):			
OASDI	0	0	119
Health Insurance	0	0	58
Employees' Compensation Fund	0	0	15
Travel:			
Per diem	0	0	3
Rental payments to GSA	0	0	3,356
Communications, utilities & miscellaneous charges			
Federal Telephone System (FTS)	0	0	(19)
Washington Interagency Telecommunications System (WITS)	0	0	(21)
GPO Printing	0	0	15
Other Services:			
Working Capital Fund	0	0	(189)
Contracts	0	0	11
Supplies and materials	0	0	12
Subtotal, Estimated cost changes	0	0	4,147
Total, Adjustments to Base	(47)	(37)	7,449

Exhibit 9

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	Positions	FTE	Amount ($000)
TRANSFERS:			
Transfer to "Working Capital Fund", Office of the Secretary	(2)	(2)	$0
Two full-time equivalent (FTE) and two permanent positions are being transferred to the Office of Personnel, "Working Capital Fund", Office of the Secretary to provide support for the additional direct operational services to BEA.			
ADJUSTMENTS:			
FY 1993 Reestimate of FTE and positions	(37)	(37)	0
Administrative savings	0	0	(204)
Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $204,000 in 1994 for administrative expenses.			
FTE reduction	(8)	(8)	(594)
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a reduction of 8 FTEs in 1994. This will result in a savings of $594,000.			
BEA relocation	0	0	1,500
Continuation of FY 1993 operating level	0	10	2,600
In order to continue the FY 1993 operating level as approved by Congress, 10 FTE and $2,600,000 are required.			

Exhibit 9

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	Positions	FTE	Amount ($000)
ESTIMATED COST CHANGES:			
Pay Raises			
Full–year cost of FY 1993 pay increase and related costs	0	0	$216

Effective January 1, 1993, Federal employees received a 3.7 percent pay increase.

Total cost in FY 1994 of FY 1993 pay increase	$1,080,169
Less amount funded in FY 1993	(864,512)
Less amount absorbed	0
Amount requested in FY 1994 to provide full–year cost of FY 1993 pay increase	215,657
Payment to Working Capital Fund	0
Total adjustment for FY 1993 pay increase	215,657

Adjustments to Base	Positions	FTE	Amount ($000)
Within–grade step increases	0	0	438

An increase of $438,305 is required to cover the cost of within–grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in FY 1994.

Estimated number of within–grade step increases	378
Step increases not earned due to turnover (9.68% x 378)	37
Average step above step 1 per separation	2
Average cost per within–grade step increase	1,264
Gross cost of scheduled step increases ($1,264 x 378)	477,792
Less savings due to separations ($1,264 x .37 x 2)	(93,536)
Subtotal, personnel compensation	384,256
Benefits	54,050
Total adjustment to base	438,306

Adjustments to Base	Positions	FTE	Amount ($000)
Civil Service Retirement System (CSRS)	0	0	(117)

The number of employees covered by CSRS continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees' Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 68.4 percent in FY 1993 to 61.6 percent in FY 1994. Contribution rates will remain the same.

FY 1994 ($24,676,000 x .616 x .07)	1,064,029
FY 1993 ($24,676,000 x .684 x .07)	1,181,487
Total adjustment to base	(117,458)

Exhibit 9

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base		Positions	FTE	Amount ($000)
Federal Employees' Retirement System (FERS)				
Federal Employees' Basic Benefits		0	0	$216
The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 31.6 percent in FY 1993 to 38.4 percent in FY 1994. Contribution rates will remain the same.				
FY 1994 ($24,676,000 x .384 x .129)	1,222,350			
FY 1993 ($24,676,000 x .316 x .129)	1,005,892			
Total adjustment to base	216,458			
Thrift Savings Plan (TSP)		0	0	34
The cost of ESA's contributions to the Thrift Savings Plan also will rise as FERS participation increases. The contribution rate is expected to remain 2 percent.				
FY 1994 ($24,676,000 x .384 x .02)	189,512			
FY 1993 ($24,676,000 x .316 x .02)	155,952			
Total adjustment to base	33,560			
Federal Insurance Contribution Act (FICA)				
Old Age, Survivors, and Disability Insurance (OASDI)		0	0	119
As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from $57,300 in FY 1993 to $60,150 in FY 1994. The OASDI tax rate will remain 6.2 percent in FY 1994.				
Regular Employees				
FY 1994 ($24,676,000 x .384 x .9586 x .062)	563,164			
FY 1993 ($24,676,000 x .316 x .92 x .062)	444,776			
Increase for FY 1994	118,388			
Other Salaries				
FY 1994 ($338,000 x .9586 x .062)	20,088			
FY 1993 ($338,000 x .92 x .062)	19,280			
Increase for FY 1994	808			
Total adjustment to base	119,196			

Exhibit 9

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	Positions	FTE	Amount ($000)
Health Insurance	0	0	$58
Effective January 1992, ESA's contribution to Federal employees' health insurance premiums increased by 8.5 percent. Applied against the FY 1993 estimate of $683,000, the additional amount required is $58,055.			
Employees' Compensation Fund	0	0	15
The Employees' Compensation Fund bill for the year ending June 30, 1992, is $15,418 higher that the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.			
Travel and transportation of persons			
Per Diem increase	0	0	3
Effective January 1992, the General Services Administration raised per diem rates. As a result, ESA's rates increased 6.5 percent. This percentage was applied to the FY 1993 estimate of $39,000 to arrive at an increase of $2,535.			
Rental payments to GSA	0	0	3,356
BEA will relocate following the expiration of their lease in August 1993. GSA's estimated annual FY 1993 charge for the new building is $5,721,796 and is projected to increase 3.0 percent in FY 1994. An additional $3,332,450 is required to cover the FY 1994 costs. GSA rates for the HCHB are projected to increase 3.0 percent in FY 1994. This percentage was applied to the FY 1993 estimate to arrive at an increase of $23,130.			
Communications, utilities & miscellaneous charges			
Federal Telephone System (FTS)	0	0	(19)
A savings of $19,000 will be realized in 1994 for FTS 2000.			
Washington Interagency Telecommunications System (WITS)	0	0	(21)
The Washington Interagency Telecommunication System (WITS) telephone conversion will be installed in the Department, converting the Centrex Switch to GSA/WITS switch. The estimated decrease of $20,975 is due to lower operating costs outside the Hoover building.			

Exhibit 9

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE

Adjustments to Base	Positions	FTE	Amount ($000)
GPO Printing	0	0	$15
GPO has provided an estimated rate increase of 3.7 percent. This percentage was applied to the FY 1993 estimate of $402,000 to arrive at an increase of $14,874.			
Other Services			
Working Capital Fund (WCF), General Administration	0	0	(189)
A decrease of $189,000 in the Working Capital Fund reflects a redistribution of the cost of the Office of General Counsel operations.			
Contracts	0	0	11
Based on increases in salary costs related to non–government contract purchases, ESA is requesting 11,000 to maintain its current level of operation.			
Supplies and materials	0	0	12
Based on the GDP deflator of 2.4 percent, the cost of supplies and materials is expected to increase by $12,144 from the FY 1993 estimate of $506,000.			
Total, Adjustments to Base	(47)	(37)	7,449

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: National economic accounts

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
National economic accounts...........	Pos/BA	206	$14,634	208	$15,375	189	$16,632	196	$17,832	7	$1,200
	FTE/Obl.	165	14,606	192	15,375	177		182		5	
Direct Obligations....................	Pos/BA	206	14,634	208	15,375	189	16,632	196	17,832	7	1,200
	FTE/Obl.	165	14,606	192	15,375	177		182		5	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic Analysis
Subactivity: National economic accounts

Goals and Objectives

Goals: To provide a clear picture of the U.S. economy through the preparation, development, and analysis of the economic accounts of the United States.

Objectives: To maintain and improve the system of national economic accounts. The national economic accounts consist of the national income and product and wealth accounts, which provide an overall view of the economic process; the interindustry accounts, which show how the various industries of the Nation interact to produce the gross domestic product (GDP); and the government accounts, which provide a detailed view of Federal, State and local governments in the GDP framework.

Base Program

National economic accounts - This work consists of the preparation, development, and analysis of the national income and product accounts, wealth accounts, measures relating to environmental change, the underlying interindustry (input-output) accounts, and the associated government accounts. The national income and product accounts, summarized by the GDP, provide an up-to-date, overall view of domestic and national production, its distribution, and its use as shown by the interrelated receipts and expenditures of producers, consumers, investors, government, and the foreign customers of the United States. The wealth accounts show the business government and other holders of tangible national wealth. Measures relating to environmental change include estimates of the expenditures for pollution abatement and control prepared within the framework of the national economic accounts. The framework of these accounts is being modernized and extended to bring it into line with international guidelines. More specifically, the output consists of the following:

1. Monthly personal income and outlays - These estimates show personal income by type, personal taxes, total and per capita disposable personal income in current and constant dollars, personal consumption expenditures in current and constant dollars, and personal saving. Estimates of personal income and outlays are released to the public about 4 weeks after the close of the reference month and are published monthly in the Survey of Current Business (Survey).

2. GDP estimates - These estimates show GDP by type of expenditure, type of product, and sector and national income by type of income; personal income and its disposition; personal consumption expenditures by major type of product; government receipts and expenditures, by type; government purchases of goods and services, by type; government expenditures by type and function; foreign transactions; saving and investment; private purchases of producers' durable equipment and structures; inventories and final sales of business; national income, number of employees, persons engaged in production, hours worked by employees, and corporate profits by industry; quantity and price indexes associated with GDP and it's components; and supplementary measures such as motor vehicle output, farm output, and housing output.

Advance estimates in considerable detail are released to the public about 4 weeks after the end of the quarter and are published in the Survey in the first month after the end of the quarter. The first full set of quarterly estimates is released to the public about 8 weeks after the end of the quarter and is published in the Survey in the second month after the end of the quarter. A revised full set of quarterly estimates is released to the public 12 weeks after the end of the quarter and is published in the Survey in the third month after the end of the quarter.

Advance annual estimates for the preceding year are published in the January Survey. Estimates for the 3 most recent years are revised on the basis of more comprehensive information and, except in benchmark years, are published in the July Survey. The richness of underlying data permits the publication of considerably more detail than is possible for the quarterly figures. One hundred thirty-four tables are shown in the July Survey; quarterly estimates from 53 of these tables are published in the Survey in other months.

Comprehensive benchmark estimates are prepared based largely on the results of the quinquennial economic censuses and the benchmark input-output tables. The results of the most recent benchmark revision, which incorporated the 1982 input-output tables and available information from the 1987 Economic Censuses, were published in the November and December 1991 and January 1992 Surveys. Historical supplements, in two volumes, covered 1929-58 and 1959-88.

3. GDP by industry - Following suspension of the annual estimates in 1989, in order to overhaul the methodology, improved estimates for 1977 to 1989 were published in the January and April 1991 Surveys. Estimates incorporating the results of the most recent benchmark revision will be published in the Survey in the final half of 1993.

4. Fixed capital - Estimates of the stock of fixed capital are made annually. Summary estimates are published in the August Survey. Estimates incorporating the results of the most recent benchmark revision were published in the January 1992 Survey. More detailed estimates were published in a historical supplement in 1992.

   - o Nonresidential fixed private capital of the United States. These estimates are by detailed industry. These cover gross and net capital stocks, depreciation, discards, and average ages of net and gross capital stocks. The estimates are provided by legal form of organization in historical-cost, constant-cost, and current-cost valuations, and by type of structure and equipment.

   - o Housing. These estimates show gross and net stocks, in historical-cost, constant-cost, and current-cost valuations, of the value of the farm and nonfarm housing stock, by type of structure -- one-to-four dwelling unit structures, structures containing five or more dwelling units, mobile homes, and owner- and tenant-occupied dwelling units.

   - o Consumer durables. These estimates show gross and net stocks of durable goods owned by consumers in constant-cost and current-cost valuations.

   - o Fixed capital owned by the Federal Government and by State and local governments. These estimates show gross and net stocks, in constant-cost and current-cost valuations, for all governments, the Federal Government, and State and local governments separately for equipment and structures.

5. Inventories and business sales - Estimates of constant-dollar inventories and final sales of business, and inventory-sales ratios are published quarterly in the Survey, as are separate estimates of constant-dollar manufacturing and trade. Estimates of manufacturing inventories by stage of fabrication also are published quarterly.

6. Environmental statistics - Annual estimates of capital expenditures and operating costs for pollution abatement and control, prepared within the framework of the national economic accounts, are published in the Survey. These estimates are prepared in current and constant dollars and are classified by sector of the economy (consumers, business, and government) and by the element of the environment affected (air, land, and water). Annual estimates of nonfarm business capital expenditures for pollution abatement and selected industry detail for gross and net stocks for pollution abatement are prepared and made available upon request.

7. Special compilations for international organizations - Official translations of the U.S. national income and product accounts into the forms prescribed by the United Nations and the Organization for Economic Cooperation and Development (OECD) are prepared for these organizations.

8. Input-output tables - Input-output tables show, for each industry, the amount of its output that is used by every other industry as raw materials or semi-finished products, as well as the sales to the final markets -- consumers, business investors, government, and rest of the world. They also show, for each industry, its consumption of the output of every industry and its value added (total industry output less the value of materials consumed and services purchased).

Comprehensive benchmark input-output tables are prepared every 5 years. The most recent benchmark input-output tables at the 537 industry level are for 1982 and were published in the July 1991 Survey. Annual input-output tables, prepared in less industrial detail, update the benchmark tables. Annual tables have been prepared starting with 1966. The 1987 table was published in the April 1992 Survey; the 1988 and 1989 tables will be published in 1993. Articles that explain and use the input-output tables as tools of economic analysis also are published in the Survey. Special analyses are prepared of the impact on the various industries of changes in specified final demands, output of other industries, and prices.

9. Capital goods flow tables - Tables showing capital goods flows from producing to using industries are prepared for the same years as the benchmark input-output tables. Capital goods flow tables for 1982 will be released in 1993.

10. Employment and employee compensation tables - Tables showing the number of employees, compensation, wages and salaries, and supplements for each industry are prepared for the same years as the benchmark input-output tables. Employment and employee compensation tables for 1982 will be released in 1993.

11. Government budgets in the national economic accounts framework - The Federal and State and local budgets prepared within the national economic accounts framework provide a means of gauging the effect of government fiscal policies on the economy. Detailed reconciliations between this concept of the Federal budget and the President's budget are made on a quarterly basis and published in the July Survey. Estimates reflecting the programs underlying the Federal budget for the upcoming fiscal year are published in the Survey soon after the President's budget is released.

12. Quarterly estimates of cyclically-adjusted budgets are prepared. These estimates show the Federal receipts, expenditures, surplus or deficit, and Federal debt that would be generated if the economy were growing without cyclical fluctuation. Estimates reflecting the current year's fiscal policies are published quarterly. Estimates that reflect the comprehensive benchmark GDP estimates and a revised model that updates the effects of recent changes in tax law and unemployment insurance.

13. Quarterly estimates of national defense purchases of goods and services are prepared in current and constant dollars. Measures of price change are calculated for approximately 130 detailed categories of purchases. Summary estimates are published monthly in the Survey as part of the GDP.

Work is underway to modernize and extend the national economic accounts. It is planned to replace the present accounts with economic accounts that will follow the revised guidelines of the United Nations System of National Accounts. These new accounts, with the financing requested in FY 1994, will include full sets of integrated current and capital sector accounts and satellite accounts for R&D, and natural resources.

Exhibit 13

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
INCREASE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
National economic accounts.................................	Pos./BA	189	$16,632	196	$17,832	+7	+$1,200
	FTE/Obl.	177		182		+5	

Modernize and extend the national economic accounts (+7 positions, +5 FTE and +$1,200 thousand) - This request would provide funds to implement the next stage in the U.S. move to the System of National Accounts (SNA).

The United Nations Statistical Commission has now approved the revised SNA, and statistical agencies around the world, ranging from those in OECD countries to those in countries that were formerly part of the Soviet Union, are gearing up to implement the revised system. The SNA will provide the comprehensive, integrated, and internationally comparable statistical infrastructure required for analysis and policy in key areas such as economic growth, inflation, investment, and productivity in today's global economy. The United States has played a leadership role in developing the revised SNA, and it is thus well positioned to implement the new system, providing resources are sufficient to move forward.

Initial work on modernizing and extending the accounts was funded in fiscal years 1991 and 1992. However, much of the work remains unfunded. Without additional funds the United States will lag behind the other countries of the world in modernizing its national economic accounts to follow the new SNA. Comparisons of U.S. economic activity with countries around the world will be of substantially lower quality if this modernization is not undertaken.

The request would provide funds to:

1. Step up the pace and broaden the scope of the SNA work.

   -- Evaluation and planning - Now that this SNA has been finalized, evaluate specific strategies to adapt the guidelines to the U.S. economy and statistical system. Because full implementation of the SNA will extend into the next decade, SNA planning will provide a framework for long-term evaluation and planning for source data improvement.

-- Full sets of sector accounts - Extend the national economic accounts to include, as the SNA does, a full set of accounts for the household, business, government, and rest-of-the world sectors. With the extension, the U.S. accounts would provide integrated current and capital accounts, including balance sheets, for each sector and for the Nation as a whole. These accounts will provide a significantly improved basis for assessing the size and effect of investments in infrastructure on the nation's output and productivity. Analysis and policy formulation in a wide range of areas will be strengthened by a foundation built on a comprehensive, rather than partial, picture of transactions related to production, income, saving, lending, and investment and on information about the balance-sheet impact of these transactions and price-change adjustments.

2. Prepare satellite accounts. Satellite accounts, which are viewed as integral to the SNA approach, cut across the government, business, and household sectors of the economic accounts and incorporate additional information to give a full picture by function or area. Work is underway on an R&D satellite account, and over time BEA will propose work on other satellite accounts. However, for fiscal year 1994 BEA will focus on one area:

   -- Natural resources - Speed up work started on this account in FY 1992. Such estimates represent a critical first step in systematically accounting for the relationship between the U.S. economy and our natural and environmental resources.

3. Work on certain other areas that will improve the quality of the GDP estimates is highly dependent on the development and acquisition of improved source data. These are described as a separate initiative.

Exhibit 15

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	Economic Analysis
Subactivity:	National economic accounts
Program Change:	Modernize and extend the national economic accounts.

Object Class		1994 Increase/(Decrease)
11	Personnel compensation	
11.1	Full–time permanent	$211
11.3	Other than full–time permanent	0
11.5	Other personnel compensation	6
11.8	Special personnel services payments	0
11.9	Total personnel compensation	217
12.1	Civilian personnel Benefits	65
13	Benefits for former personnel	0
21	Travel and transportation of persons	7
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	4
24	Printing and reproduction	3
25	Other services	886
26	Supplies and materials	4
31	Equipment	14
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	1,200

Exhibit 14

Department of Commerce
Economic and Statistical Analysis
Salaries and Expenses
PROGRAM CHANGE (PERSONNEL DETAIL)

Activity:	Economic Analysis
Subactivity:	National economic accounts
Program Change:	Modernize and extend the national economic accounts.

Title		Grade	Number	Annual Salary	Total Salaries
Supervisory Economist		15	1	$66,609	$66,609
Economist		14	1	56,627	56,627
Economist		13	1	47,920	47,920
Economist		11	2	33,626	67,252
Programmer		7	1	22,717	22,717
Secretary		6	1	21,805	21,805
Total			7		282,930
Less lapse	25.00%		2		71,864
Total full-time permanent			5		211,066

Personnel Data

Full-Time Equivalent Employment:	
Full-time permanent	5
Other than full-time permanent	0
Total	5
Authorized Positions:	
Full-time permanent	7
Other than full-time permanent	0
Total	7

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity Economic Analysis
Subactivity International economic accounts

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Balance of payments....	Pos/BA	74	$4,843	82	$4,729	68	$5,262	70	$5,662	2	$400
	FTE/Obl	58	4,758	74	4,729	60		62		2	
International investment and international services estimates.	Pos/BA	127	7,368	123	8,008	116	8,753	119	9,353	3	600
	FTE/Obl.	105	7,448	115	8,008	111		113		2	
Direct Obligations........ .	Pos/BA	201	12,211	205	12,737	184	14,015	189	15,015	5	1,000
	FTE/Obl.	163	12,206	189	12,737	171		175		4	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic Analysis
Subactivity: International economic accounts

Goals and Objectives

Goals: To provide a clear picture of the U.S. economy through the preparation, development, and analysis of the economic accounts of the United States.

Objectives: To maintain and improve the system of international economic accounts. The international economic accounts consist of the balance of payments accounts, which give detail on U.S. transactions with foreign countries, and the international investment and international services estimates.

Base Program

Balance of payments accounts - This work consists of the preparation, development, and analysis of the balance of payments accounts, which provide a comprehensive and detailed view of economic transactions between the United States and foreign countries. Major types of transactions covered are merchandise trade; travel, transportation, and private services; income on international investment; U.S. Government military and other services; private remittances; foreign aid programs; private capital flows; and changes in foreign official assets in the United States and U.S. official reserve assets. More specifically, the output consists of the following:

1. Balance of payments estimates - Estimates containing all major components of the balance of payments accounts, including regional and country breakdowns, are published quarterly in the Survey. The regional and country breakdowns consist of bilateral balance of payments estimates for the European Communities; United Kingdom; total Western Europe; Eastern Europe; Canada; Latin America and other Western Hemisphere countries; Japan; other countries in Asia and Africa; Australia; and international organizations.

   Balance of payments quarterly estimates are released to the public about 12 weeks after the end of the quarter and are published in the Survey in the third month after the end of the quarter. Regular quarterly articles on the balance of payments also are published in the Survey. These analyze current developments in the U.S. balance of payments, changes in the foreign exchange value of the U.S. dollar, and the economic developments here and abroad that affect them.

Preliminary annual estimates for the preceding year are published in the March Survey. Estimates for at least the 3 most recent years are revised on the basis of more comprehensive information and are published in the June Survey.

In addition to the countries and regions for which quarterly bilateral accounts are published, estimates of annual bilateral balance of payments accounts for Mexico, Venezuela, Belgium-Luxembourg, Netherlands, France, Germany, Italy, and South Africa are published annually in the June Survey. The bilateral accounts with members of the Organization of Petroleum Exporting Countries are published in either the March or June Survey.

2. Special analyses - Special analyses of current developments related to the balance of payments are prepared. Examples are the effects of changes in exchange rates and prices on U.S. trade, the impact of petroleum transactions on the balance of payments, and appraisals of the balance of payments presentations.

3. Merchandise trade - Special estimates of foreign trade data on a balance of payments basis that show consistent time series for commodities classified by end-use categories are maintained. Estimates of merchandise trade on a balance of payments basis are released to the public about 12 weeks after the end of the quarter and are published in the Survey in the third month after the end of the quarter. Monthly estimates are prepared for internal use.

4. International travel, transportation, and other services - Detailed estimates of receipts and payments arising from international travel and transportation, military expenditures and sales, and of a number of other U.S. Government and private service transactions and private remittances are prepared for the balance of payments accounts. These estimates are published quarterly in the Survey.

5. Government grants and credits - Quarterly estimates are prepared, giving information by program on grants, credits, and other assistance to foreign countries by the U.S. Government. These estimates are included in the quarterly balance of payments accounts. In addition, more detailed information is published primarily for use by the Congress and other Government agencies. These data are used to compile the official record of outflows to, and receipts from, foreign countries for Government aid and credit programs.

   Special compilations of Government grants and credits are prepared for OMB for use in the annual budget message and for the Department of the Treasury for use in annual reports on the international financial transactions of the Government. In addition, a detailed report is prepared annually for the use of the Development Assistance Committee of the OECD.

6. Private capital (other than direct investment) - Tabulations of banking and securities transactions and of corporate transactions with unaffiliated foreigners are prepared, and income on these investments is calculated. These estimates are included in the quarterly balance of payments accounts.

7. International investment position of the United States - Detailed annual estimates are prepared of the international assets and liabilities of the United States, changes in its net investment position, and factors accounting for those changes. These estimates, published in the June Survey, can be reconciled with the capital flows shown in the balance of payments accounts.

8. Special compilations of the balance of payments accounts -Official translations of the balance of payments accounts into the format and content prescribed by the International Monetary Fund, the International Bank for Reconstruction and Development, the United Nations, and the OECD.

9. Bilateral reconciliation - The bilateral current-account statistics of the United States and Canada are reconciled annually. Reconciled estimates are published in the December Survey. A detailed description of the reconciliation was published in the November 1992 Survey and the December 1992 Canadian Economic Observer.

International investment and international services estimates - The international investment work consists of the preparation, development, and analysis of estimates of U.S. direct investment abroad; foreign direct investment in the United States; income flows associated with these investments; and other economic aspects of multinational enterprises, including their trade, employment, taxes, and plant and equipment expenditures. The international services work consists of the preparation, development, and analysis of U.S. services transactions with both affiliated foreign persons (parents and affiliates) and unaffiliated foreign persons. More specifically, the output consists of the following:

1. Regular sample surveys - Quarterly surveys of U.S. direct investment abroad and of foreign direct investment in the United States are taken in order to obtain data on income and capital flows for inclusion in the quarterly balance of payments accounts. A summary presentation of the direct investment position at the end of each year is published in the June Survey. A more detailed annual recapitulation of the results of these surveys is published in the August Survey. These annual reports give detailed information by country and industry on direct investment capital flows, income, reinvested earnings, royalties and license fees, other services transactions, and the direct investment position at the end of each year.

   Semiannual surveys are taken of current and projected plant and equipment expenditures of foreign affiliates of U.S. firms. The results are published usually in the March and September Surveys.

   Annual surveys of foreign direct investment in the United States and of U.S. direct investment abroad gather other financial and operating data, such as on employment, sales, trade, property, plant, and equipment. The results of the 1990 annual survey of foreign direct investment in the United States were published in the May 1992 Survey, and results of the 1991 survey are scheduled for publication in the May 1993 Survey. The results of the 1990 annual survey of U.S. direct investment abroad were published in the August 1992 Survey and results of the 1991 survey are scheduled for publication in the July 1993 Survey.

A survey of new foreign direct investment in the United States is conducted to obtain data on outlays by foreigners to acquire or establish new U.S. affiliates and to obtain selected operating data for the new affiliates. Results are published annually, usually in the May Survey.

2. Benchmark surveys - These surveys cover transactions between all U.S. parent organizations and their foreign affiliates and between foreign parent organizations and their U.S. affiliates. Other economic information collected relating to U.S. parents and U.S. and foreign affiliates include sales of goods and services, trade, employment, balance sheets, and income statements. The estimates for these multinational companies from the benchmark surveys are shown separately by industry, and by country or region. Detailed final results of the benchmark survey of U.S. direct investment abroad for 1989 were published in September 1992. Detailed final results of the benchmark survey of foreign direct investment in the United States for 1987 were published in August 1990. A new benchmark survey of foreign direct investment in the United States, covering 1992, is now being conducted. Preliminary results are scheduled for publication in 1994.

3. Services surveys - A benchmark survey of selected services transactions with unaffiliated foreign persons is conducted to obtain data, by country, on the following types of services: advertising; computer and data processing; data base and other information services; telecommunications; agricultural services; research and development, commercial testing, and laboratory services; management consulting and public relations; accounting, auditing, and bookkeeping; legal services; education and training services; mailing, reproduction, and commercial art; employment agencies; industrial engineering; industrial-type maintenance and repair, installation, and training; performing arts; direct insurance; construction, engineering, architectural, and mining services; rights to natural resources; and miscellaneous disbursements, including news-gathering costs and the cost of maintaining business promotion, sales, or representative offices. Results of a benchmark survey covering 1991 were published as part of the U.S. balance of payments accounts in June 1992.

Selected data from the benchmark survey are updated in nonbenchmark years by means of an annual follow-on survey. Three other annual surveys of services transactions--on construction, engineering, architectural, and mining services, on insurance, and on royalties and license fees--are also conducted. The data from these surveys are included in the U.S. balance of payments accounts.

The data on services transactions with unaffiliated foreigners from these surveys, together with data on services sold through U.S. and foreign affiliates from BEA's direct investment surveys, are published annually in a detailed and unified format, usually in the September Survey.

4. Multinational company activities - An information system is maintained that integrates the international and domestic data for multinational companies collected by BEA. This system provides for the production of organized and consistently defined information on U.S. companies and their foreign affiliates, and on foreign companies and their U.S. affiliates, at the needed level of detail, including data on type of ownership, industry, and country classification. Data are stored in accessible form and are organized to facilitate the matching of benchmark surveys against sample surveys, permitting efficient universe estimates from sample surveys. Analyses utilizing the data are published in the Survey covering such topics as the role of multinational companies and their foreign affiliates in U.S. international trade, the employment and payroll costs of multinational companies, and estimates of gross product (value added) of foreign affiliates of U.S. companies and of U.S. affiliates of foreign companies.

   Data in the system for foreign-owned U.S. business enterprises are being matched to the Census Bureau's data for individual establishments (i.e., plants) of those enterprises to obtain much more detailed data by State and industry for foreign-owned enterprises than would otherwise be available. The first results of the link project were published in June 1992. The project is being expanded to cover later years (1989-90) and additional items from Census' Annual Survey of Manufacturers; the expanded results are scheduled for publication in September 1993. A parallel link project with the Bureau of Labor Statistics to obtain detailed information on the occupational structure of the establishments of foreign-owned enterprises is also being conducted.

Exhibit 13

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
INCREASE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Balance of Payments..	Pos./BA	68	$5,262	70	$5,662	+2	+$400
	FTE/Obl.	60		62		+2	

Improve measures of international capital flows and modernize and extend the U.S. Balance of Payments (+2 positions, +2 FTE and +$400 thousand) - This request would provide funds to improve the U.S. capital account and to implement the U.S. move to the International Monetary Fund's new Balance of Payments Manual.

1. Increased financing to strengthen measures of international capital flows - This request would provide funds to speed up BEA's work in strengthening measures of international capital flows. Improving BEA's estimates of international capital flows is essential to providing policymakers and analysts with timely and reliable information on the impact of increasingly integrated world capital markets on the U.S. economy. This effort, which is being carried out in cooperation with the Treasury and the Federal Reserve, would address what the International Monetary Fund has described as a "crisis" in world statistics that developed because national statistical systems have failed to keep pace with the innovation in international currency and financial markets.

   Partial funding was provided in FY 1992 but much of the work remains unfunded even as the "crisis" has worsened. The proliferation of currency and interest rate swaps, hedges, and other administrative instruments in international markets over the last several years has dramatically increased the complexity of measuring international capital flows.

   This request would provide funds to:

   o Update methodologies and data sources for capital-related income flows. Errors in the underlying capital flows and outdated methods combined to contribute to significant "errors and omissions" between the current and capital account in the 1980's and early 1990's.

- o Update methodologies and data sources for portfolio capital flows and positions. Foreign portfolio capital flows have come to account for an increasing share of activity in U.S. capital markets, but there are significant gaps in our measures of these flows. These gaps not only affect the flows in the balance of payments but also the U.S. international investment position, or as it is often--albeit incorrectly--called, the net debtor position of the United States.

2. Increased financing to modernize and extend the international accounts - This request would provide funds to modernize and extend the international accounts consistent with the forthcoming revision of the International Monetary Fund's Balance of Payments Manual (BPM).

   Because of the importance of comparable data on international transactions across countries for trade negotiations, for coordination of international monetary, investment and aid programs, and for companies' international marketing and development plans, it is critical that the U.S. economic accounts be consistent with international guidelines.

   This request would provide funds to move to consistency with the guidelines in the IMF's revised BPM (its fifth edition) over the next several years. Initially the work would involve evaluating the guidelines and then developing plans to adapt the guidelines to the U.S. international transactions and statistical system. This work will provide a framework for long-term planning of source data improvements.

   The fifth edition of the BPM, in a major revision, takes into account new developments, such as the innovations in the international capital markets mentioned above, and is consistent with the United Nations System of National Accounts. The revised BPM is expected to be approved late in 1993. The United States will have considerable work to do to be consistent with the new guidelines in two major areas. The United States will need to introduce a fully integrated system of stocks and flows. It will also need to introduce a far more detailed set of accounts for travel, transportation, construction, insurance, finance, other business services, and other personal services.

3. Improving the quality of the international accounts statistics is highly dependent on the development and acquisition of improved source data. The most important of these source data acquisitions for this fiscal year is the outbound portfolio benchmark, which is described as a separate initiative.

Exhibit 15

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	Economic Analysis
Subactivity:	International economic accounts
Program Change:	Improve measures of international capital flows and modernize and extend the U.S. Balance of Payments.

	Object Class	1994 Increase/(Decrease)
11	Personnel compensation	
11.1	Full–time permanent	$88
11.3	Other than full–time permanent	0
11.5	Other personnel compensation	2
11.8	Special personnel services payments	0
11.9	Total personnel compensation	90
12.1	Civilian personnel Benefits	25
13	Benefits for former personnel	0
21	Travel and transportation of persons	2
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	1
24	Printing and reproduction	0
25	Other services	277
26	Supplies and materials	1
31	Equipment	4
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	400

Exhibit 14

Department of Commerce
Economic and Statistical Analysis
Salaries and Expenses
PROGRAM CHANGE (PERSONNEL DETAIL)

Activity:	Economic Analysis
Subactivity:	International economic accounts
Program Change:	Improve measures of international capital flows and modernize and extend the U.S. Balance of Payments.

Title	Grade	Number	Annual Salary	Total Salaries
Economist	13	1	$47,920	$47,920
Economist	12	1	40,298	40,298
Total		2		88,218
Less lapse		0		0
Total full-time permanent		2		88,218

Personnel Data	Number
Full-Time Equivalent Employment:	
Full-time permanent	2
Other than full-time permanent	0
Total	2
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	2

Exhibit 13

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
INCREASE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
International investment and international services estimates	Pos./BA	116	$8,753	119	$9,353	+3	+$600
	FTE/Obl.	111		113		+2	

Increased financing to expand coverage of international trade in services (+3 positions, +2 FTE and +$600 thousand) - This request would provide funds to expand coverage of data on international trade in services. Work is needed to close several existing gaps in coverage, to address newly emerging channels and forms of trade in services, and to provide more timely information on services. The largest coverage gap is in financial services. Despite improvements in data on services in recent years, increasing demands for financial data on trade negotiations and in market planning indicate that further work is necessary and should not be further delayed. The largest information gap is in monthly trade information. Currently, only merchandise trade information is available monthly. Estimates of trade in goods and services are only available on a quarterly basis. BEA is currently working with the Census Bureau on a study of the feasibility of developing a more comprehensive monthly estimate of international trade that covers goods and services.

The request would provide funds to:

1. Conduct a survey of financial services. Develop and conduct a new survey of financial services to estimate non-interest income for U.S. and foreign banks and non-bank financial institutions.

2. Improve measures of already covered services. Strengthen methodologies used to estimate several types of services for which survey data are incomplete or not available. These services include medical service, transportation, and construction.

3. Develop consistent monthly estimates of trade in goods and services.

Exhibit 15

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: International economic accounts
Program Change: Increased financing to expand coverage of international trade inservices.

Object Class		1994 Increase/(Decrease)
11	Personnel compensation	
11.1	Full–time permanent	$93
11.3	Other than full–time permanent	0
11.5	Other personnel compensation	2
11.8	Special personnel services payments	0
11.9	Total personnel compensation	95
12.1	Civilian personnel Benefits	27
13	Benefits for former personnel	0
21	Travel and transportation of persons	3
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	2
24	Printing and reproduction	1
25	Other services	464
26	Supplies and materials	2
31	Equipment	6
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	600

Exhibit 14

Department of Commerce
Economic and Statistical Analysis
Salaries and Expenses
PROGRAM CHANGE (PERSONNEL DETAIL)

Activity:	Economic Analysis
Subactivity:	International economic accounts
Program Change:	Increased financing to expand coverage of international trade in services.

Title		Grade	Number	Annual Salary	Total Salaries
Economist		14	1	$56,627	$56,627
Economist		13	1	47,920	47,920
Secretary		5	1	20,173	20,173
Total			3		124,720
Less lapse	25.00%		1		31,554
Total full-time permanent			2		93,166

Personnel Data

	Number
Full-Time Equivalent Employment:	
Full-time permanent	2
Other than full-time permanent	0
Total	2
Authorized Positions:	
Full-time permanent	3
Other than full-time permanent	0
Total	3

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: Regional economic accounts

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Regional economic accounts..........	Pos/BA	84	$4,617	82	$5,019	77	$5,547	77	$5,547	0	$0
	FTE/Obl.	70	4,575	77	5,019	74		74			
Direct Obligations....................	Pos/BA	84	4,617	82	5,019	77	5,547	77	5,547	0	0
	FTE/Obl.	70	4,575	77	5,019	74		74		0	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic Analysis
Subactivity: Regional economic accounts

Goals and Objectives

Goals: To provide a clear picture of the U.S. economy through the preparation, development, and analysis of the economic accounts of the United States.

Objectives: To maintain and improve the system of regional economic measurement and analysis.

Base Program

Regional economic measurement - This work consists of the preparation, development, and analysis of economic accounts that show detail on economic activity by region, State, metropolitan area, and county. More specifically, the output consists of the following:

1. Personal income, by State - Annual estimates of personal income by type of income, tax and nontax payments, and disposable personal income by place of residence and earnings by industry and place of work for States and the District of Columbia are prepared twice each year. Summary level preliminary estimates of total and per capita personal and disposable personal income are published in the April Survey, four months after the end of the year. A revised, more detailed, set of estimates based on more complete data are published in the August Survey, eight months after the end of the year.

   Quarterly estimates of personal income by type of income and place of residence and earnings by major industry and place of work for States and the District of Columbia are prepared four times a year. Summary estimates of total and nonfarm personal income are published in the January, April, July, and October Surveys, four months after the end of the quarter.

   Personal income benchmark estimates are prepared approximately every 5 years based largely on the national benchmark estimates and additional or more current State data.

2. Personal income, by county and metropolitan area - Annual estimates of personal income by type of income and place of residence and earnings by industry and place of work for counties and metropolitan areas are prepared once each year. Summary estimates of total and per capita personal income are published in the April Survey for each of the more than 3,000 counties and county equivalents and the 320 designated metropolitan areas in the United States. A detailed set of measures including labor and proprietors' income by industry, transfer payments by major program, farm income and expenses by major category, employment by industry, and a description of methodology is released each May and is available on a CD-ROM. These estimates constitute the only comprehensive and detailed economic series available annually on a local area basis.

   Personal income benchmark estimates are prepared approximately every 5 years based largely on the national and State benchmark estimates and additional or more current local area data.

3. Gross State product, by State - Annual estimates of gross State product by industry are prepared on a periodic basis and published in the Survey. Estimates for 1982 through 1990, reflecting a revised methodology and the most recent national benchmark revisions, will be published int he November 1993 Survey and will be available on a CD-ROM.

Regional economic analysis - This work consists of the preparation of analyses and projections of States and local areas. More specifically, the output consists of the following:

1. Regional, State, and local area economic analyses - Analyses are carried out to identify and measure the factors that determine area differences in levels and growth rates of total and per capita personal income and of industrially detailed earnings, employment, and output. These analyses are needed to improve the techniques for preparing the State and local area economic projections, and to assess, in advance, the area effects of alternative development programs. Analyses are published in the Survey and in special supplements.

2. Regional, State, and local area economic projections - Projections of personal income, employment, earnings (of persons) by industrial source, and population are prepared every 5 years for each State and the District of Columbia and for all metropolitan areas. During the interim period, economic projections are made for selected State and local areas. Economic projections are published in the Survey and in special supplements.

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: Analysis of economic trends

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Economic outlook...........................	Pos/BA	36	$3,237	33	$3,342	32	$3,538	32	$3,538	0	$0
	FTE/Obl.	27	3,209	29	3,342	29		29		0	
Direct Obligations....................	Pos/BA	36	3,237	33	3,342	32	3,538	32	3,538	0	0
	FTE/Obl.	27	3,209	29	3,342	29		29		0	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic Analysis
Subactivity: Analysis of economic trends

Goals and Objectives

Goals: To provide a clear picture of the U.S. economy through the preparation, development, and analysis of the economic accounts of the United States.

Objectives: To maintain and improve measures and analyses that extend the usefulness of the economic accounts. These include a system of business cycle indicators and analyses of the economic situation.

Base Program

Business cycle indicators - This work consists of a system of leading, coincident, and lagging business cycle indicators and of related data that help to depict current and future economic activity. More specifically, the output consists of the following:

A monthly compendium of business cycle indicators is published each month in the Survey. This compendium presents approximately 270 monthly and quarterly seasonally adjusted economic time series, about 100 of which have been classified as cyclical indicators (i.e., series that conform well to broad fluctuations in aggregate economic activity). The cyclical indicators (classified as leading, roughly coincident, or lagging), the composite indexes derived from them, and related diffusion indexes are recognized as useful tools for economic forecasting. The remaining series are useful in the interpretation of the economic situation and outlook but they do not qualify as cyclical indicators. Various analytical measures and summary characteristics of individual series also are shown. The series are shown in graphic and tabular form. Occasionally, articles that present a summary of cyclical indicators methodology or analyses of their performance are published in the Survey. In addition, the Handbook of Cyclical Indicators, published intermittently, contains the composite index methodology, descriptions and historical data, and analytical measures. The latest edition was issued in 1984.

Current business analysis - This work consists of the preparation of analyses of the economic situation and outlook, the Survey, and the provision of information services. More specifically, the output consists of the following:

1. Analysis of the economic situation - analyses of current economic conditions and the near-term outlook are published in "The Business Situation" section of the Survey. These analyses are prepared within the framework of the economic accounts. A review of the advance GDP estimates are published quarterly. In addition, analyses of specific aspects of the economic situation are published. Examples are: residential construction; the labor market; price changes; financial developments; and developments in particular industries, such as motor vehicles, that have an important influence on short-term business activity.

2. Statistics and explanatory notes are published monthly in the "S-pages" of the Survey. These carry approximately 1,950 separate series. Used in conjunction with the biennial Business Statistics supplements to the Survey, they provide continuous and consistent series running back many years and cover all major aspects of the economy. Most of the series are obtained from other Government agencies and from private organizations.

3. The biennial Business Statistics supplements provide back data for series published in the monthly issues of the Survey, most of them in the "S-pages". Explanatory notes define terms, give sources of data, and describe methods of compilation.

4. Preparation of the Survey - This includes the review and coordination of the layout, chartwork, and mechanics of preparing the copy of the Survey for the printer. Similar support is provided for other BEA publications.

5. Editorial and publications services - This includes the substantive and editorial review of all BEA monographs and press releases and the provision of publications production services.

6. Public information services - This includes the handling of requests for BEA information and the preparation of explanatory materials about BEA products and services.

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: Develop and acquire source data

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Develop and acquire source data...	Pos/BA	0	$0	0	$0	0	$0	0	$800	0	$800
	FTE/Obl.	0	178	0	236	0		0		0	
Direct Obligations..................	Pos/BA	0	0	0	0	0	0	0	800	0	800
	FTE/Obl.	0	178	0	236	0		0		0	

Exhibit 13

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
INCREASE FOR 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase/(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Develop and acquire source data..........................	Pos./BA	0	$0	0	$0	0	+ $800
	FTE/Obl.	0		0		0	

Develop and acquire source data (+ $800 thousand) - This work consists of upgrading the national and international economic accounts by the acquisition of new and improved source data that would be used to address high priority statistical quality issues -- accuracy, reliability, and timeliness -- and buttress the integrating role within the statistical system played by BEA's economic accounts. The funds would be used to develop and secure consistent information tailored to BEA's economic accounts requirements from Federal agencies' administrative records and to support new statistical surveys or extensions to existing surveys.

The request would provide funds to:

1. Conduct "clean slate" research and develop a new system of industrial classification for economic data designed to reflect more accurately industries created by new technologies, new services, and other features of the changing U.S. economy. (BEA would fund research on classification concepts and developmental activities necessary to implement a modernized and integrated economic classification systems.)

2. Obtain specialized tabulations of unpublished Census data to speed up the preparation of input-output tables.

3. Assist Treasury in conducting a benchmark survey of U.S. portfolio abroad, the first since 1943.

4. Prepare improved measures of the prices of "high-tech" goods and services to use in deriving real GDP.

Exhibit 15

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity:	Economic Analysis
Subactivity:	Develop and acquire source data
Program Change:	Develop and acquire source data.

	Object Class	1994 Increase/(Decrease)
11	Personnel compensation	
11.1	Full-time permanent	$0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel Benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	800
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	800

Exhibit 10

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Economic Analysis
Subactivity: BEA relocation

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BEA relocation	Pos/BA	0	$0	0	$5,000	0	$1,500	0	$1,500	0	$0
	FTE/Obl.	0	0	0	5,000	0		0		0	
Direct Obligations	Pos/BA	0	0	0	5,000	0	1,500	0	1,500	0	0
	FTE/Obl.	0	0	0	5,000	0		0		0	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic Analysis
Subactivity: BEA relocation

Goals and Objectives

Goals: To relocate the Bureau of Economic Analysis.

Objectives: To relocate the Bureau of Economic Analysis.

Base Program

In FY 1993, Congress approved a one time transfer of $5.0 million to fund the relocation of BEA. This budget contains $1.5 million for the remaining items that could be deferred a few months and not disrupt the move schedule. This was done to assist Congress and Commerce in meeting its FY 1993 allocation.

A "get by" minimum of furniture and equipment was purchased in FY 1993. (Modular furniture was necessary in order to meet GSA space guidelines). In FY 1994, all workstations will be completed, additional workstations will be purchased for new employees, and special purpose areas such as those for file storage and mail processing will be completed. (No appropriation will be necessary in FY 1995 for this subactivity.)

Exhibit 10

Department of Commerce

Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Policy Support
Subactivity: Policy support

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Policy support	Pos/BA	77	$5,681	73	$5,480	72	$5,570	72	$5,570	0	$0
	FTE/Obl.	64	5,519	64	5,480	63		63		0	
Direct Obligations	Pos/BA	77	5,681	73	5,480	72	5,570	72	5,570	0	0
	FTE/Obl.	64	5,519	64	5,480	63		63		0	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Policy Support
Subactivity: Policy support

Goals and Objectives

Goals: To support the Secretary, Under Secretary, and other Government officials in interpreting the state of the economy, and on matters relating to economic policy.

Objective: To advise the Secretary, Under Secretary, and other Government officials on matters related to economic developments and forecasts, and the development of options and positions relating to both macroeconomic and microeconomic policy; and to support the Secretary's and the Under Secretary's participation in White House policy councils, and in other Administration economic policy forums.

Base Program

Economic policy support - The output consists of the following:

1. Reports, articles, speeches and Congressional testimony on economic issues, and regular and special studies on economic conditions and developments. Analyses include forecasts of aggregate economic activity, as well as reviews of current economic conditions in key sectors.

2. Reports and analyses on policy issues of concern to the Secretary and the Under Secretary. Such issues include overall fiscal and monetary policy, tax policy, the sectoral implications of macro-level policies, micro-level impacts of legislation and regulation, and the impact of international policy trends on the domestic economy.

3. Information, analysis, and guidance on pending economic policy decisions for the Secretary's and the Under Secretary's participation in the White House policy councils, as well as for senior Commerce officials in the interagency policymaking process. Policy proposals and staff papers are prepared for presentation by the Secretary and Under Secretary to these councils and forums.

4. Economic forecasts for the Secretary's and Under Secretary's participation in interagency groups, and in support of the Secretary's statutory role as a Director of the Pension Benefit Guarantee Corporation.

5. Review of material prepared by other Department of Commerce elements on issues affecting the domestic economy. Ensures that such material contains accurate and timely information, and reflects Departmental policy positions.

6. Assistance to the Office of Public Affairs and other Commerce elements in responding to news media requests for economic information and interpretation of economic data.

7. Participation in policy deliberations of the Organization for Economic Cooperation and Development (OECD), the International Labor Organization (ILO), the Asia Pacific Economic Cooperation (APEC) Forum, the Conference on Security and Cooperation in Europe (CSCE), EC92, and the U.N. Economic Commission for Latin America (ECLAC).

8. Assessments of the general and industry-level impacts of selected regulations and legislation on the business community. Examples of such regulations and legislation include measures proposed to affect climate change and to influence patterns of U.S. energy consumption.

9. Analyses of the cross-industry effects of microeconomic developments, trends, proposed and current policies, and unique events, e.g., supply interruptions, strikes, natural disasters, emergency mobilization and industrial preparedness conditions.

10. Congressionally mandated studies as required, such as, the annual assessment of foreign direct investment in the United States.

11. Microeconomic research of contemporary industrial trends and supporting statistical data bases.

12. Macroeconomic research on economic and financial conditions of major countries and identification and evaluation of key policy initiatives of these countries; assessments of likely impacts of foreign and domestic initiatives on the U.S. economy and U.S. competitiveness; indicators of economic and financial restructuring in developing countries, especially highly indebted nations; and analyses of impacts of U.S. trade and foreign direct investment on U.S. employment and economic growth, including issues related to the North American Free Trade Agreement, the Enterprise for the Americas Initiative, the Structural Impediments Initiative, and Asia Pacific Economic Cooperation. Research and analyses are to support the Secretary, the Under Secretary, and other Administration officials.

13. Operation of the computerized Economic Bulletin Board and a data base system that provide the Government and the private sector with a single source of current economic statistics, such as the gross domestic product (GDP), the employment situation, personal income, the consumer price index, the Federal Reserve Board's monetary and financial data, and other economic information.

14. Operation of the National Trade Data Bank, as required by the Omnibus Trade and Competitiveness Act of 1988, which collects data in electronic form from many Government agencies including Census, BEA, ITA, Agriculture, Energy, Treasury, the Federal Reserve Board, and international agencies, and disseminates these data through a computerized distribution system.

15. Operation of the National Economic, Social, and Environmental Data Bank (NESE.DB) -- the domestic counterpart to the National Trade Data Bank. This product supports public policy analysis of such issues as economic growth, criminal justice, health, education, and the environment.

Exhibit 11

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
PROGRAM AND PERFORMANCE: REIMBURSABLE OBLIGATIONS
(Dollar amounts in thousands)

Activity: Reimbursable Program
Subactivity: Reimbursable program

Comparison by line item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		1994 Increase/ (Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Federal funds.	Pos/BA	70	$2,145	52	$1,520	51	$1,546	51	$1,546	0	$0
	FTE/Obl.	55	2,136	36		35		35		0	
Non-Federal sources	Pos/BA	4	995	7	1,135	7	1,135	7	1,135	0	0
	FTE/Obl	4	868	7		7		7		0	
Reimbursable Obligations....	Pos/BA	74	3,140	59	2,655	58	2,681	58	2,681	0	0
	FTE/Obl.	59	3,004	43		42		42		0	

Exhibit 12

Department of Commerce
Economics and Statistics Administration
Economic and Statistical Analysis Budget
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Reimbursable Program
Subactivity: Reimbursable program

Goals and Objectives

Goals: To provide economic and statistical data and analyses to other Federal agencies and to individuals and firms requesting such data.

Objectives: To provide, at cost, economic and statistical data and analyses to Federal agencies, which rely on the information to achieve their program objectives, and to any person, firm, or organization, public or private upon request.

Base Program

ESA upon request provides economic and statistical data and analyses on a reimbursable or advance payment basis to other Federal agencies, State and local government agencies, and the private sector. Fees are charged, and reimbursable agreements are established, when a special benefit is provided, i.e., a benefit to an identifiable recipient beyond that derived by the public at large. Fees and reimbursable agreements are priced to recover the full cost of providing the benefit. ESA's authorization to perform this work is 31 U.S.C. 1535, 15 U.S.C. 1516, 1525, 1526, and 15 U.S.C. 4901 et seq.

ESA's reimbursable activities consist of providing:

1. Economic Bulletin Board subscription service.
2. National Trade Data Bank.
3. National Economic, Social, and Environmental Data Bank.
4. Training of foreign nationals in national economic accounting.
5. Special data tapes, documentation, bulletins, or reports on input-output and GDP by industry data.
6. Special surveys, compilations, tabulations, and calculations of multinational corporate data.
7. Special regional economic projections and analyses.
8. Estimates of county money income and special retrievals of personal income and employment.
9. Support for activities related to oversight, congressional, and public affairs of the Census Bureau.
10. Other special economic and statistical data.

Exhibit 16

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation						
11.1	Full-time permanent	$22,412	$24,086	$82	$24,168	$24,560	$392
11.3	Other than full-time permanent	713	590	1	591	591	0
11.5	Other personnel compensation	479	338	(6)	332	342	10
11.8	Special personnel services payments	0	0	0	0	0	0
11.9	**Total personnel compensation**	23,604	25,014	77	25,091	25,493	402
12.1	Civilian personnel benefits	4,046	4,576	308	4,884	5,001	117
13	Benefits for former personnel	12	0	0	0	0	0
21	Travel and transportation of persons	142	99	3	102	114	12
22	Transportation of things	31	1	0	1	1	0
23.1	Rental payments to GSA	3,159	4,017	3,006	7,023	7,023	0
23.2	Rental payments to others	73	15	0	15	15	0
23.3	Communications, utilities and miscellaneous charges	608	1,089	(63)	1,026	1,033	7
24	Printing and reproduction	221	402	5	407	411	4
25	Other services	6,963	8,937	(3,039)	5,662	8,089	2,427
26	Supplies and materials	665	566	1	567	574	7
31	Equipment	768	2,473	(449)	2,024	2,048	24
32	Lands and structures	0	0	0	0	0	0
33	Investments and loans	0	0	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0	0	0
43	Interest and dividends	1	0	0	0	0	0
44	Refunds	0	0	0	0	0	0
99	**TOTAL OBLIGATIONS**	40,293	47,189	(151)	46,802	49,802	3,000
	Less prior year recoveries		(236)	0	0	0	
	TOTAL BUDGET AUTHORITY		46,953	(151)	46,802	49,802	3,000

Personnel Data	1992 Actual	1993 Currently Available	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
Full-Time Equivalent Employment:						
Full-time permanent	443	505	(37)	468	477	9
Other than full-time permanent	46	46	0	46	46	0
Total	489	551	(37)	514	523	9
Authorized Positions						
Full-time permanent	604	601	(47)	554	566	12
Other than full-time permanent	37	37	0	37	37	0
Total	641	638	(47)	591	603	12

Exhibit 17

Department of Commerce

Economic and Statistical Analysis Budget
Salaries and Expenses

DETAILED REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation				
11 1	Full-time permanent				
	Executive level	$1	$106	$106	$0
	Senior executive service	(32)	2,310	2,310	0
	General schedule	113	21,752	22,144	392
	Commisssioned officers	0	0	0	0
	Wage board/wage marine	0	0	0	0
	Scientific & professional (P.L. 80-313)	0	0	0	0
	Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
	Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
	Senior foreign service	0	0	0	0
	Foreign service staff	0	0	0	0
	Foreign service nationals	0	0	0	0
	Consultants & experts	0	0	0	0
	Students	0	0	0	0
	Subtotal	82	24,168	24,560	392
11.3	Other than full-time permanent				
	General schedule	1	553	553	0
	Wage board	0	0	0	0
	Experts & consultants	0	38	38	0
	Hourly	0	0	0	0
	Subtotal	1	591	591	0
11.5	Other personnel compensation				
	Overtime	0	28	28	0
	SES performance awards	0	17	17	0
	Cash awards	0	106	109	3
	Merit pay awards	(6)	172	179	7
	Other	0	9	9	0
	Subtotal	(6)	332	342	10

Exhibit 17

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11.8	Special personnel services payments				
	Foreign service officers (State)	$0	$0	$0	$0
	Other	0	0	0	0
	Subtotal	0	0	0	0
11.9	**Total personnel compensation**	77	25,091	25,493	402
12.1	Civilian personnel benefits				
	Civil service retirement	(127)	1,302	1,347	45
	Federal employees' retirement	214	1,361	1,396	35
	Thrift savings plan	35	187	190	3
	Federal insurance contribution act	113	1,197	1,231	34
	Health insurance	58	741	741	0
	Life insurance	0	69	69	0
	Employees' compensation fund	15	27	27	0
	Other	0	0	0	0
	Subtotal	308	4,884	5,001	117
13	Benefits for former personnel				
	Severance pay	0	0	0	0
	Unemployment compensation	0	0	0	0
	Other	0	0	0	0
	Subtotal	0	0	0	0
21	Travel and transportation of persons				
	Common carrier	0	40	47	7
	Mileage	0	6	6	0
	Per diem/actual	3	42	47	5
	Vehicular	0	8	8	0
	Other	0	6	6	0
	[Overseas estimates]	0	0	0	0
	Subtotal	3	102	114	12
22	Transportation of things	0	1	1	0
	[Overseas estimates]	0	0	0	0
23.1	Rental payments to GSA	3,006	7,023	7,023	0
23 2	Rental payments to others	0	15	15	0

Exhibit 17

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
23.3	Communications, utilities and miscellaneous charges				
	Rental of ADP equipment	($18)	$525	$525	$0
	Rental of office copying equipment	(4)	41	41	0
	Other equipment rental	(1)	12	12	0
	Federal telecommunications system	(19)	73	75	2
	Other telecommunications services	(21)	115	117	2
	Postal Service by USPS	0	170	173	3
	Other	0	90	90	0
	[Overseas estimates]	0	0	0	0
	Subtotal	(63)	1,026	1,033	7
24	Printing and reproduction				
	Publications	2	262	263	1
	Public use forms	1	46	46	0
	Envelopes	0	5	5	0
	Other	2	94	97	3
	[Payments to GA, WCF]	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	5	407	411	4
25	Other services				
	Training:				
	University	(5)	62	66	4
	Office of personnel management	(3)	31	34	3
	Other	(1)	8	8	0
	Maintenance of equipment	0	248	248	0
	GSA reimbursable services	0	79	79	0
	ADP services	0	100	100	0
	Telecommunications services	0	0	0	0
	Payments to GA, WCF	(189)	2,004	2,038	34
	Other non-government contracts	(2,740)	(306)	(109)	197
	Non-government data purchases	(50)	283	590	307
	Government data purchases	(51)	3,153	5,035	1,882
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	(3,039)	5,662	8,089	2,427

Exhibit 17

Department of Commerce

Economic and Statistical Analysis Budget
Salaries and Expenses

DETAILED REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
26	Supplies and materials				
	Office supplies	$2	$169	$171	$2
	ADP supplies	0	301	306	5
	Other	(1)	97	97	0
	[Overseas estimates]	0	0	0	0
	Subtotal	1	567	574	7
31	Equipment				
	Office machines and equipment	(94)	425	430	5
	ADP hardware	(314)	1,417	1,434	17
	ADP software	(41)	182	184	2
	Other	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	(449)	2,024	2,048	24
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	**TOTAL OBLIGATIONS**	(151)	46,802	49,802	3,000
	Less prior year recoveries	0	0	0	
	TOTAL BUDGET AUTHORITY	(151)	46,802	49,802	3,000

Exhibit 33

Appropriation Language and Code Citations

"For necessary expenses, as authorized by law, of economic statistical analysis programs of the Department of Commerce, 49,802,000, to remain available until September 30, 1995," as follows:

15 U.S.C. 171 et seq., provides for the establishment of the Bureau of Economic Analysis (BEA) and provides the authority(s) and responsibility(s) for the functions of the Bureau of Economic Analysis.

15 U.S.C. 1501 et seq., provides the Secretary of Commerce (delegated by Departmental order to the Under Secretary for Economic Affairs) with the authority to carry out economic and statistical analysis functions.

15 U.S.C. 1503a., provides for the position of Under Secretary of Commerce for Economic Affairs. The Under Secretary shall perform such duties as the Secretary shall require.

15 U.S.C. 1512 provides the Department of Commerce with the authority to foster, promote and develop the foreign and domestic commerce of the United States, to the extent necessary for the performance of the ESA functions.

15 U.S.C. 1516 provides the Secretary of Commerce with authority to gather and distribute statistical information.

15 U.S.C. 4603a., provides that a study of Federal participation in SEMATECH be conducted under the direction of the Under Secretary of Commerce for Economic Affairs and that a report on the study be submitted annually to the Senate Governmental Affairs Committee and Senate Armed Services Committee.

15 U.S.C. 4901 et seq., provides authority for the Secretary of Commerce to establish and operate the National Trade Data Bank (NTDB).

22 U.S.C. 286f provides that the President shall make available balance of payments information as required by the Bretton Woods Agreement Act. The Bureau of Economic Analysis was assigned responsibility by Executive Order No. 10033, as amended and subsequent Departmental delegation for the collection of certain balance of payments data and the publication of the U.S. balance of payments accounts.

22 U.S.C. 3101 et seq., provides that the President shall undertake mandatory surveys of U.S. direct investment abroad and foreign direct investment in the United States. The Bureau of Economic Analysis was assigned responsibility for the direct investment surveys under this Act by Executive Order No. 11961 and subsequent Departmental delegation.

30 U.S.C. 1604, provides that the Secretary of Commerce consult with other members of the Cabinet, including Interior, Defense, CIA and FEMA on ensuring an adequate and stable supply of materials to meet national security, economic well-being and withstand production needs.

Exhibit 34

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses

CONSULTING AND RELATED SERVICES
(Dollar amounts in thousand)

	1992 Actual	1993 Estimate	1994 Estimate
Consulting services	$9	$70	$70
Management and professional services	283	660	272
Special studies and analyses	0	25	25
Management and support services for research and development	0	0	0
TOTAL	292	755	367

Consulting services, management and professional services, and special studies and analyses are utilized to the extent that they provide a cost–effective source for special services.

Further, it is not practical for ESA to conduct its work in an insulated environment. Consulting and related services contribute to the overall stability of ESA's work by: (1) providing cross–checks to ESA's work; and (2) supplementing staff to investigate important issues or problems.

Exhibit 35

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL SERVICES
(Dollar amounts in thousands)

	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate
Periodicals	$91	$103	$104	$108
Pamphlets	9	12	11	12
Audiovisuals	0	0	0	0
TOTAL	100	115	115	120

Bureau of Economic Analysis

This activity provides a clear picture of the U.S. economy through the preparation, development, and interpretation of the national income and product accounts, summarized by the gross domestic product (GDP); the wealth accounts, which show the business and other components of national wealth; the input–output accounts, which trace the interrelationships among industrial markets; personal income and related economic series by geographic area; the U.S. balance of payments accounts and associated foreign investment accounts; and measures relating to environmental change within the framework of the national economic accounts. The work on the national economic accounts is supplemented by the preparation and analysis of other measures of business activity, including a system of leading, coincident, and lagging economic indicators. The data and analyses prepared by this activity are disseminated mainly through its monthly publication, Survey of Current Business, including periodic supplements to the Survey, and also through the Economic Bulletin Board and the National Trade Data Bank.

Policy Support

This activity advises the Secretay, Under Secretary, and other Government officials on matters related to economic developments and forecasts, and the development of options and positions relating to both macroeconomic and microeconomic policy; supports the Secretary's and the Under Secretary's participation in White House policy councils, and in other Administration economic policy forums; and is responsible for the development and operation of the Department's Economic Bulletin Board, the National Trade Data Bank (funded reimbursably from Census) and the National Economic, Social and Environmental Data Bank.

Exhibit 36

Department of Commerce
Economic and Statistical Analysis Budget
Salaries and Expenses

AVERAGE GRADE AND SALARY

	1992 Acutal	1993 Estimate	1994 Estimate
Average ES Grade	4.36	4.30	4.23
Average GS/GM Grade	10.56	10.55	10.55
Average GS/GM Salary	$40,920	$42,561	$42,911

Mr. SMITH. Testifying on behalf of this request today is Frederick T. Knickerbocker, the Executive Director of the Economic and Statistical Administration. Mr. Knickerbocker, we will insert your biographical sketch into the record at this point. You may now proceed with your statement.

[The biographical sketch of Mr. Knickerbocker follows:]

FREDERICK T. KNICKERBOCKER, EXECUTIVE DIRECTOR, ECONOMICS AND STATISTICS ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Dr. Knickerbocker joined the Department of Commerce in 1976 as a Senior Policy Analyst. In 1978 he was appointed Deputy Assistant Secretary for International Policy Coordination, and in January 1980 he was appointed Deputy Assistant Secretary for Industry Policy. From late 1980 through April 1981 he served as Assistant Secretary for Policy within Commerce. Since April 1981 he has served as the Executive Director of the Economics and Statistics Administration.

Prior to joining Commerce, Dr. Knickerbocker was a member of the faculty of the Harvard Business School for five years. Previously, Dr. Knickerbocker served for a decade in the international business operations of Eli Lilly and Company—including several assignments in Europe.

In 1955–1958 Dr. Knickerbocker served as a pilot of the United States Air Force.

Dr. Knickerbocker holds a B.A. from Williams College, a M.B.A. from Wharton, and a B.A. from Harvard University.

OPENING STATEMENT

Mr. KNICKERBOCKER. Mr. Chairman, I am pleased to have this opportunity to appear before you and the other members of the subcommittee. My colleagues and I are here today to present the fiscal year 1994 budget requests for the three appropriations that collectively make up the Economics and Statistics Administration.

To begin, I would like to share with you the principal goals that the new administration has established for the Economics and Statistics Administration, or for ESA, as we call it. They are five in number.

First, we need to revive and complete the Economics Statistics Initiative. The Clinton administration supports the initiative.

Second, we must identify the priority markets for ESA's data and its analytic services—that is, the public policy-making apparatus and business data user—and reorient ESA's programs to serve them better.

Third, we must develop and put in place a technology plan that both increases productivity in our statistical bureaus and strengthens their outreach efforts. We realize we cannot afford technology unless it cuts costs and improves the delivery of our products.

Fourth, we need to build public awareness of ESA as a repository of an extraordinary amount of useful information and develop means to make that information much more accessible.

And fifth, we need to make progress now in our planning for the 2000 Census so that we can be certain we will have on hand proven new ways to conduct that Census.

We hope that we will have your guidance and support as we move forward to implement these goals.

I would now like to turn to the request for the Economic and Statistical Analysis appropriation. Joining me are Carol Carson, Director of the Bureau of Economic Analysis, and Jerome Jackson, our principal administrative officer. When we finish with the ESA account budget, Harry Scarr, Acting Director of the Bureau of the Census, and Joseph Bellomo, head of the Census Bureau's budget operations will brief you on the Census budget.

Approximately 89 percent of the Economic and Statistical Analysis budget is for the Bureau of Economic Analysis. The Bureau of Economic Analysis is the steward of the vast majority of the Nation's most essential economic statistics, from the gross domestic product estimates to the incoming and outgoing foreign direct investment estimates.

For fiscal year 1994, for the Economic and Statistical Analysis budget in total, we are requesting an appropriation of $49.8 million. Our request includes $3 million for the Economic Statistics Initiative and $7.4 million for adjustments to the base.

The Economic Statistics Initiative is designed to strengthen our Nation's statistical infrastructure and to provide for international comparability of its information. Recently, the United Nations Statistical Commission formally adopted a revised system of national accounts.

If I can break from my prepared text, I would call your attention, sir, to the fact that the United Nations formal adoption of the national accounts and its recommendation that the entire world use these accounts is very largely the result of the work of a single person, namely Carol Carson, sitting to my right. Her accomplishment is something in which we take great pride and which, in fact, the entire Federal Government can take great pride.

In addition, the International Monetary Fund recently adopted the revised Balance of Payments Manual. Moving BEA's economic accounts toward these international standards is a key feature of this initiative. We propose $2.2 million to continue the effort to introduce the new frameworks and upgrade the estimates to be presented in them.

Up to now the statistics initiative in BEA has concentrated on improved frameworks and estimating methodologies. Underlying this work is the fundamental need for good source data. We propose $800,000 for the implementation of source data improvements in the most critical areas.

I would also note one administrative item. In fiscal year 1993, BEA will conclude its move to a new location at 1441 L Street Northwest. In fiscal year 1994, $1.5 million will be required to wrap up this relocation.

That concludes my statement, Mr. Chairman. My colleagues and I are prepared to answer your questions before moving on to the Census request.

[The prepared statement of Mr. Knickerbocker follows:]

PREPARED STATEMENT BY FREDERICK T. KNICKERBOCKER
EXECUTIVE DIRECTOR
ECONOMICS AND STATISTICS ADMINISTRATION

BEFORE THE SUBCOMMITTEE ON
COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
APRIL 23, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO HAVE THIS OPPORTUNITY TO APPEAR BEFORE THE SUBCOMMITTEE. MY COLLEAGUES AND I ARE HERE TODAY TO PRESENT THE FISCAL YEAR 1994 BUDGET REQUESTS FOR THE THREE APPROPRIATIONS THAT COLLECTIVELY MAKE UP THE ECONOMICS AND STATISTICS ADMINISTRATION.

TO BEGIN, I WOULD LIKE TO SHARE WITH YOU THE PRINCIPAL GOALS THAT THE NEW ADMINISTRATION HAS ESTABLISHED FOR THE ECONOMICS AND STATISTICS ADMINISTRATION -- FOR ESA. THEY ARE FIVE IN NUMBER.

> FIRST, WE NEED TO REVIVE AND COMPLETE THE ECONOMICS STATISTICS INITIATIVE. THE CLINTON ADMINISTRATION SUPPORTS THE INITIATIVE.
>
> SECOND, WE MUST IDENTIFY THE PRIORITY MARKETS FOR ESA'S DATA AND ITS ANALYTIC SERVICES--THE PUBLIC POLICY MAKING APPARATUS AND BUSINESS DATA USER--AND REORIENT ESA'S PROGRAMS TO SERVE THEM BETTER.
>
> THIRD, WE MUST DEVELOP AND PUT IN PLACE A TECHNOLOGY PLAN THAT BOTH INCREASES PRODUCTIVITY IN OUR STATISTICAL BUREAUS

AND STRENGTHENS THEIR OUTREACH EFFORTS. WE REALIZE WE CANNOT AFFORD TECHNOLOGY UNLESS IT CUT COSTS AND IMPROVES THE DELIVERY OF OUR PRODUCTS.

FOURTH, WE NEED TO BUILD PUBLIC AWARENESS OF ESA AS A REPOSITORY OF AN EXTRAORDINARY AMOUNT OF USEFUL INFORMATION AND DEVELOP MEANS TO MAKE THAT INFORMATION MUCH MORE ACCESSIBLE.

AND FIFTH, WE NEED TO MAKE PROGRESS NOW IN OUR PLANNING FOR THE 2000 CENSUS SO THAT WE CAN BE CERTAIN WE WILL HAVE ON HAND PROVEN NEW WAYS TO CONDUCT THAT CENSUS.

WE HOPE THAT WE WILL HAVE YOUR GUIDANCE AND SUPPORT AS WE MOVE FORWARD TO IMPLEMENT THESE GOALS.

I WOULD NOW LIKE TO TURN TO THE REQUEST FOR THE ECONOMIC AND STATISTICAL ANALYSIS APPROPRIATION. JOINING ME ARE CAROL CARSON, DIRECTOR OF THE BUREAU OF ECONOMIC ANALYSIS, AND JEROME JACKSON, OUR PRINCIPAL ADMINISTRATIVE OFFICER. WHEN WE FINISH WITH THE ESA ACCOUNT BUDGET, HARRY SCARR, ACTING DIRECTOR OF THE BUREAU OF THE CENSUS, AND JOSEPH BELLOMO, HEAD OF THE CENSUS BUREAU'S BUDGET OPERATIONS WILL BRIEF YOU ON THE CENSUS BUDGET.

APPROXIMATELY 89 PERCENT OF THE ECONOMIC AND STATISTICAL ANALYSIS BUDGET IS FOR THE BUREAU OF ECONOMIC ANALYSIS. THE BUREAU OF ECONOMIC ANALYSIS IS THE STEWARD OF THE VAST MAJORITY OF THE

NATION'S MOST ESSENTIAL ECONOMIC STATISTICS, FROM THE GROSS DOMESTIC PRODUCT ESTIMATES TO THE INCOMING AND OUTGOING FOREIGN DIRECT INVESTMENT ESTIMATES.

FOR FY 1994, FOR THE ECONOMIC AND STATISTICAL ANALYSIS BUDGET IN TOTAL, WE ARE REQUESTING AN APPROPRIATION OF $49.8 MILLION. OUR REQUEST INCLUDES $3.0 MILLION FOR THE ECONOMIC STATISTICS INITIATIVE AND $7.4 MILLION FOR ADJUSTMENTS TO THE BASE.

THE ECONOMIC STATISTICS INITIATIVE IS DESIGNED TO STRENGTHEN OUR NATION'S STATISTICAL INFRASTRUCTURE AND TO PROVIDE FOR INTERNATIONAL COMPARABILITY OF ITS INFORMATION. RECENTLY, THE UNITED NATIONS STATISTICAL COMMISSION FORMALLY ADOPTED A REVISED SYSTEM OF NATIONAL ACCOUNTS. IN ADDITION, THE INTERNATIONAL MONETARY FUND RECENTLY ADOPTED THE REVISED BALANCE OF PAYMENTS MANUAL. MOVING BEA'S ECONOMIC ACCOUNTS TOWARD THESE INTERNATIONAL STANDARDS IS A KEY FEATURE OF THIS INITIATIVE. WE PROPOSE $2.2 MILLION TO CONTINUE THE EFFORT TO INTRODUCE THE NEW FRAMEWORKS AND UPGRADE THE ESTIMATES TO BE PRESENTED IN THEM.

UP TO NOW THE STATISTICS INITIATIVE IN BEA HAS CONCENTRATED ON IMPROVED FRAMEWORKS AND ESTIMATING METHODOLOGIES. UNDERLYING THIS WORK IS THE FUNDAMENTAL NEED FOR GOOD SOURCE DATA. WE PROPOSE $800 THOUSAND FOR THE IMPLEMENTATION OF SOURCE DATA IMPROVEMENTS IN THE MOST CRITICAL AREAS.

I WOULD ALSO NOTE ONE ADMINISTRATIVE ITEM. IN FY 1993, BEA WILL CONCLUDE ITS MOVE TO A NEW LOCATION AT 1441 L STREET NORTHWEST; IN FY 1994, $1.5 MILLION WILL BE REQUIRED TO WRAP IT UP.

THAT CONCLUDES MY STATEMENT, MR. CHAIRMAN. MY COLLEAGUES AND I ARE PREPARED TO ANSWER YOUR QUESTIONS BEFORE MOVING ON TO THE CENSUS REQUEST.

[COMMITTEE QUESTIONS]

WITH YOUR PERMISSION, MR. CHAIRMAN, WE WILL MOVE ON TO THE PRESENTATION OF THE PROPOSED FY 1994 BUDGET FOR THE BUREAU OF THE CENSUS.

OMB REQUEST

Mr. SMITH. What was your request of OMB?

Mr. KNICKERBOCKER. We requested $52.8 million from OMB; included in that total was $6 million for the Economic Statistics Initiative. OMB reduced that to $3 million.

Mr. SMITH. That is where the whole reduction came in, just that one place?

Mr. KNICKERBOCKER. Yes, sir.

Mr. SMITH. Did they tell you why?

Mr. KNICKERBOCKER. Just a general attempt to constrain the budget, sir. I mean it was not a specific objection to a specific component of it.

Mr. SMITH. What is the consequences of that, in your judgment? What would you have done with that $3 million you won't be able to do now?

Mr. KNICKERBOCKER. With your permission, sir, I would like to pass that question to Dr. Carson who is here, of course, responsible for that and let her speak to its effects.

Ms. CARSON. Basically, we are targeting to move toward a modernized and extended set of accounts in the 1990s. The question is how fast can we do it and how completely. By not getting the $3 million, we will have to move more slowly and more piecemeal, in fact, and not be able to fill as adequately as we otherwise would some of the gaps in the data that we know exist.

Mr. SMITH. What kind of a time schedule were you on when you submitted your request?

Ms. CARSON. The statistics initiative when we first started off would have given us a modernized and extended set of accounts in about 1995, 1996, but it has been a progressive moving off as we have several years in a row not gotten full funding. Now we are talking about something that will be 1996 for major parts, but implementing pieces along the way, so that we will have analytically useful results as we go along.

Mr. SMITH. So it extends it how many years?

Ms. CARSON. The $3 million maybe extends it a year.

INFORMATION INFRASTRUCTURE

Mr. SMITH. Regarding the national information infrastructure, we had both NTIA and NIST here the other day. How are you interfacing with them?

Mr. KNICKERBOCKER. I am aware, sir, that we will be working with the other departmental agencies that will be putting that system together. We essentially would be an information contributor and an information user of it. ESA will not be necessarily involved in the construction of the hardware, but we certainly have great interest in the opportunities that it would afford us to distribute the vast amounts of information that we contribute.

Mr. SMITH. I understand how you are an information user, but you said you are also a contributor. What do you mean by "contributor"?

Mr. KNICKERBOCKER. By that I meant to say, sir, that as a collector and a producer of an enormous amount of information, I would simply assume that at some juncture the enormous amount of statistics we generate and the economic information we generate would be, among other things, distributed over those networks as it is electronically distributed in a number of ways today, in different ways.

Mr. SMITH. In terms of the budget, you are becoming a user and a distributor. Does it do anything to your budget for this year?

Mr. KNICKERBOCKER. No, sir.

Mr. SMITH. But you anticipate that in the future it will?

Mr. KNICKERBOCKER. I am at this juncture only speculating, but I think that is a logical conclusion, sir. But we have no specific budget plans about that at this juncture.

Mr. SMITH. Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Economic and Statistical Analysis

QUESTION:

You are requesting $1.5 million in FY 1994 for BEA's relocation. What items are included in this request, and will this complete the non-rental costs associated with BEA's relocation?

ANSWER:

The following items will complete the non-rental costs associated with BEA's relocation:

	($000)
Completion of above standard building requirements (computer, copy center, data conversion)	$250
Systems furniture to accommodate reduced space/person ratio	928
Furnishings for special areas (training, office support, mail, etc.)	222
Telephone and data line installation	100
	$1,500

QUESTION:

Your adjustments to base (page ESA-9) also show an increase of over $3.3 million for rental payments to GSA. This appears to be a significant increase over FY 1993. How much are you paying per square foot for the new space, and how does this compare to what you were paying for the space you are vacating?

- What amount is in your base for GSA rental payments, and how much of that is associated with the existing BEA building?

ANSWER:

The estimate of the average charge to BEA for the new space is $41. The average charge to BEA for the current buildings is $26 (Tower Building) and $29 (Vermont Avenue). The total square footage also increases, primarily because of a lack of adequate support space at the Tower and Vermont Avenue locations.

The increase per square foot reflects the move from a long-term contract in an old building in need of major renovations to a new building. The new rate is determined through competitive bidding and GSA's standards for determining the charge to BEA.

- The FY 1994 Base includes $7,023,000 for GSA rental payments. By FY 1994, there are no funds associated with the current BEA buildings; they are to be vacated in FY 1993.

Adjustments to Base

QUESTION:

You are including in your adjustments to base for FY 1994 an increase of 10 FTE and $2.6 million for "continuation of FY 1993 operating level". What is included in this amount?

ANSWER:

This adjustment follows on the February 4, 1993 House Appropriation Subcommittee letter that approved a transfer proposal to restore for one year a base reduction of $2,600,000. The amount is 7 percent of BEA's FY 1993 base program. The FY 1994 base adjustment restores this amount on a permanent basis.

QUESTION:

You also are showing in your adjustments to base a line for a "re-estimate" of FY 1993 FTE and positions. This is a reduction of 37 FTE and positions. What accounts for this decrease, and is this related to the President's executive order on reduction of Federal positions?

ANSWER:

This reduction reflects the elimination of unfunded FTE and positions. It is a reduction to ESA's ceiling and does not affect operating levels. The unfunded positions do not relate to the President's executive order on the reduction of Federal positions, but instead is a result of the accumulation of prior year cost absorptions and shifts in personnel-nonpersonnel expenditures.

Administrative Savings and FTE Reduction

QUESTION:

You are including an FTE reduction of 8 positions and $594,000 associated with the Executive Order on FTE reductions, and a decrease of $204,000 associated with the executive order on administrative savings. How will these reductions impact the ongoing operations of the Economics and Statistics Administration?

ANSWER:

Pursuant to the Executive Order on Deficit Control and Productivity Improvements, ESA will achieve a savings of

$204,000 in administrative savings. This will be achieved through reductions in general administrative supplies and services.

ESA's response to the Executive Order on the reduction of 100,000 federal positions is 8 FTE's in FY 1994. This action will result in a $594,000 savings considering the accompanying benefits. We will try to absorb the reductions in administrative expenses without major program impacts in FY 1994.

QUESTION:

In your statement, you mentioned identifying the priority markets for ESA's data and its analytical services, and reorienting ESA's programs to serve the customers better. Could you tell us more about the entities that make up your priority markets and what reimbursement they provide for ESA's services?

ANSWER:

Our aim is to investigate our current customer base to understand better who are our main customers, how intensely and how frequently they use the data we produce and the analytical services we offer, and what changes they would like to see to improve, from their perspective, the quality and utility of our products and services.

At a very general level, it can be said that our customer base is composed of:

- Federal, state, local, and foreign governments
- Business enterprises
- Households and individual citizens
- Private and public institutions and interest groups concerned with the state of the economy
- Academia

We tend to produce a standard set of products that will be useful to all these categories of customers, though it is clear that their needs differ. Developing a better sense of these differences is one of our aims.

For the Economic and Statistical Analysis budget, for FY 1993, total obligations from appropriated funds will be $47.0 million. For the same year, funding derived from Federal reimbursables and sales to non-Federal sources will total $2.7 million. Better information on our customer base and on our customers' needs should, over time, increase the availability and use of our information without additional appropriations for this purpose.

QUESTION:

Are there any areas in which you see a gap between the service you provide for another Federal government agency and the level of support they provide in return?

ANSWER:

BEA is a major user of general purpose source data supplied by other federal agencies that it uses to produce the economic accounts, which in turn is used by other federal agencies. For its more specialized needs BEA has data exchanges and contracts with other agencies. There are no obvious asymmetries or difficulties with levels of support in its relationships with other agencies.

QUESTION:

Who are the private sector customers using ESA products, and are these groups paying their fair share for the products you provide?

ANSWER:

ESA recovers the full marginal cost of delivering, through print and electronic media, statistical products prepared for users in accordance with OMB circular A-130. Under current OMB information dissemination policy, ESA is permitted to recover these costs. Roughly a third ($892 thousand) of non-appropriated revenue is expected from the private sector (business enterprises, households and individual citizens, private and public institutions and interest groups concerned with the state of the economy, and academia.)

Technology Plan

QUESTION:

You refer in your statement to putting in place a technology plan that increases ESA's productivity and strengthens your outreach efforts. What amounts are requested in FY 1994 to carry out these efforts?

ANSWER:

No FY 1994 funds were requested for the project. FY 1994 will be devoted to concept refinement, prototype development, project demonstration, and establishment of a desk-top data access system among a limited set of government users.

QUESTION:

Are you currently developing this technology plan? Will this be accomplished in house, or will an outside contractor evaluate your technology requirements?

ANSWER:

Through FY 1994, we anticipate that most of the work on the project will be accomplished in house. In FY 1995, as the project transitions from a small "within selected parts of the Executive Branch system" to one for public use in general, we anticipate the use of a contractor for the writing of software.

QUESTION:

Can you give us any examples of new technologies that will enable ESA to cut costs and improve the delivery of products?

ANSWER:

Example #1: the distribution of our statistics on user-friendly CD-ROMS, that is CD-ROMS with search and retrieval software built in, cuts costs below dissemination of a comparable amount of data via paper publications and makes the data more useful and inexpensive to customers.

Example #2: the planned distribution of the statistics and information now included on our Economic Bulletin Board (EBB) via INTERNET, the precursor to the National Information Infrastructure (NII) or the electronic super-highway, should also cut the costs and increase the utility of our data to customers, e.g. data down-loading speeds should be much increased.

Tradeoffs

QUESTION:

In your budget justifications (page ESA-4), you discuss tradeoffs of existing programs in order to accommodate new program priorities. Could you provide some examples of programs which have been discontinued as a result of changing priorities?

-- What programs are proposed for elimination as a result of the FY 1994 budget request, and what will be the impact of these eliminations?

ANSWER:

In FY 1990, after congressional notification, BEA reprogrammed $1.8 million and 28 positions in order to maintain the quality of the national and international economic accounts. The reprogramming was necessary to redirect base resources to the most critical areas in BEA, from areas of lower priority. The econometric model of the U.S. economy was discontinued, along with the publication Business Conditions Digest. The composite index of economic indicators, previously published in the BCD, were continued in a scaled back presentation in the Survey of Current Business.

The funds were redirected to begin efforts to shore up BEA's programs that were being severely weakened by the continued erosion of base resources. With these funds, BEA was able to:

Complete an overhaul of the methodology used to estimate GNP (now GDP) by industry.

Improve the measure of nonresidential construction prices used in deflating business investment in the GDP (with the focus on using existing information).

Speed up preparation of input-output tables, in particular the annual updates.

Maintain the current 12-month processing schedules for BEA's surveys in the face of increasing numbers of returns.

Process returns for small firms ($10 to $20 million in assets, sales, or net income) in the annual survey of foreign direct investment in the U.S.

Although the review process is ongoing, no major tradeoffs are proposed for FY 1994.

However, as is usual every year, BEA makes smaller reallocations of resources, by eliminating or delaying improvements in various statistical activities to devote those resources to other higher priority projects. In recent years in the international area, for example, BEA has eliminated its balance of payments forecasting model, discontinued its mid-year surveys of multinational companies plant and equipment spending, and discontinued data collection for a number of smaller categories of international trade in services. These resources have been used to address emerging gaps in coverage in the core balance of payments accounts, to improve the consistency of BEA's data on foreign direct investment, and to collect better information on insurance and other large and growing international services.

As a result of these and other reallocations of base funds, BEA has been able to undertake improvements in its economic accounts beyond those major projects proposed as part of the Economic Statistics Initiative. In the national, international, and regional accounts area last year, dozens of smaller improvements were implemented that were not related to the Economic Statistics Initiative.

QUESTION:

How much flexibility do you have to make these types of tradeoffs -- what percentage of your programs are not statutorily mandated?

ANSWER:

All programs are authorized by statute. ESA has the flexibility, subject to appropriations acts, to reprogram/transfer funds to higher priority projects.

United Nations System of National Accounts

QUESTION:

You mention in your statement the need to move the Bureau of Economic Analysis' economic accounts toward new international standards adopted by the United Nations. How does this new standard differ from what is currently in place in the United States?

ANSWER:

The SNA is more comprehensive and more integrated. The SNA encompasses all economic transactions and stocks, and does so in a way that the entries in the accounts are consistent in terms of definitions (coverage), in terms of valuation, and in terms of timing. These characteristics enhance the analytical power of the existing statistics and provide a framework within which to identify gaps in statistics.

Users have long called for comprehensive estimates. Now, as the economy is increasingly the focus of policy action in an international context, comprehensive and integrated accounts take on new importance.

QUESTION:

What role did you play in the U.N. negotiations on these new standards? Why was there not more of an effort to have the U.N. standard be more in line with our own?

ANSWER:

BEA played an active role in the international negotiations throughout the decade in which the System of National Accounts and the Balance of Payments were revised. Carol Carson, BEA's Director, coordinated worldwide work on the revision of the United Nation's

SNA; and Steve Landefeld, BEA's Deputy Director, played an important role in the revision of the International Monetary Fund's Balance of Payments standards.

On several controversial and significant points, the international standards moved closer to the U.S. accounts, such as in the treatment of foreign direct investment and the treatment of banking services. In the case of foreign direct investment, countries such as Japan were reluctant to accede to the more comprehensive U.S. treatment of foreign direct investment, in part because it would require them to initiate comprehensive surveys, such as those conducted by BEA in the United States. In the case of banking services, the U.S. has long allocated the indirectly measured (imputed) services of banks to households, business, government, and foreigners. The new SNA will introduce that approach, abandoning an unrealistic simplification that assumed that business was the only user of bank services.

The revised SNA is the result of true consolidation of the expertise and experience from around the world on economic accounting that will help to provide the statistics to answer, within a consistent framework, the policy questions arising from an integrated world economy. In those instances where the United States will move to the new SNA, it will increase the usefulness of the U.S. economic accounts for economic analysis.

Economic Statistics Initiative

QUESTION:

You are once again requesting an increase for the Economic Statistics Initiative -- $3 million and 12 FTE. What amount is in your base for this initiative? What accounts for the adjustment to base of $7.4 million related to this initiative?

ANSWER:

Through FY 1993, we have received $6 million in new appropriations for the Economic Statistics Initiative. The adjustments to base (atb's) of $7.4 million include $905 thousand in adjustments for the ESI, including the ESI share of the new rent estimate and permanent restoration of the 1993 operating level.

QUESTION:

Based on current services estimates, and assuming you receive your FY 1994 request, when will the Economic Statistics Initiative be completed, and what amounts will be required annually until completion? Please provide details for the record.

ANSWER:

The original Economic Statistics Initiative would have given BEA a budget of $52.6 million in FY 1994, as compared to the current request of $44.2 million. Along with the interim year step-ups proposed for FY 1991 through FY 1993, it was expected that BEA could fix existing gaps in the U.S. economic accounts and have sufficient operating and research funds to keep the accounts up to date. By the end of FY 1996, a completed Economic Statistics Initiative, as originally envisioned, would have allowed the accounts to accurately and efficiently measure the rapidly changing U.S. and world economy.

However, between FY 1991 and FY 1993, BEA received less than half of the funds requested for the Economic Statistics Initiative and the FY 1994 total is $8.4 million below the planned FY 1994 total. As a result of these shortfalls, existing gaps in coverage that were slated for resolution under the ESI grew larger as new gaps emerged. Thus, an additional $8.4 million would be required annually to bring BEA to the original ESI funding target for "completely implementing" the ESI, and given the shortfall in funding between FY 1991 and FY 1993, completion of the specific goals of the ESI will have to be stretched out. Without this increase the United States will continue to lag behind other nations in its economic information base.

It should also be noted that many observers, including Congress' Office of Technology Assessment, suggested that the original "Boskin Initiative" was too narrow and they proposed addressing a broader set of statistical issues in order to better measure a changing U.S. economy. Indeed, President Clinton recently directed BEA to expand the natural resource initiative that was part of the original ESI to include environmental resources, so as to produce an estimate of "Green GDP".

QUESTION:

Part of your request ($800,000) is for the implementation of source data improvements in critical areas. What areas are considered critical for this year, and why?

-- Please provide for the record the plan for implementing source data improvements by fiscal year, including the areas proposed for improvements and the funding required.

ANSWER:

In BEA's FY 1993 request, $3,912,000 was requested for source data improvements. That request was targeted for 10 high priority projects. For FY 1994, BEA's request has been reduced to $800,000. From among the original 10, BEA has selected three of the most urgent projects and added one project:

- Conduct "clean slate" research and develop a new system of industrial classification for economic data designed to reflect more accurately industries created by new technologies, new services, and other features of the changing U.S. economy. (BEA would fund research on classification concepts and developmental activities necessary to implement a modernized and integrated economic classification systems.)

- Obtain specialized tabulations of unpublished Census data to speed up the preparation of input-output tables.

- Assist Treasury in conducting a benchmark survey of U.S. portfolio abroad, the first since 1943.

- Prepare improved measures of the pieces of "high-tech" goods and services to use in deriving real GDP.

In all four cases, timing is critical. For example, the Treasury benchmark survey is entering its final design phase, after years of work coordinating with other governments, international organizations, and the private financial sector; without funds for implementation, the project will come to a halt and much valuable preparatory work and international goodwill will be lost. In the case of the industrial classifications, the new system must be in place before the 1997 Economic Census, which means the development work now underway cannot be delayed. Moreover, Canada is coordinating with the United States to develop a compatible U.S. Canadian classification system and has budgeted $17 million for the project.

- Plans for implementing source data improvements require negotiation with the source data agency. Given uncertainties in the timing of funding and projects and the priorities of other agencies, it is difficult for BEA to estimate in advance the timing for implementing the source data improvements.

Status of ESA Appointments

QUESTION:

What is the status of Presidential appointments to positions in the Economics and Statistics Administration? Which positions are Presidential appointments, and are there any key positions which do not require confirmation?

ANSWER:

Within the Economics and Statistics Administration there are two PAS (Presidentially appointed with the approval of the Senate) positions: the Under Secretary for Economic Affairs and the Director, Bureau of the Census.

The Under Secretary for Economic Affairs has been selected, and his nomination papers should be forwarded to the Senate shortly. Selection of the Director, Bureau of the Census, is still underway.

Within ESA, non-PAS key positions include: the Deputy Under Secretary for Economic Affairs and the Chief Economist.

TUESDAY, APRIL 27, 1993.

BUREAU OF THE CENSUS

SALARIES AND EXPENSES AND PERIODIC CENSUSES AND PROGRAMS

WITNESSES

DR. HARRY A. SCARR, ACTING DIRECTOR, BUREAU OF THE CENSUS
JOSEPH P. BELLOMO, ASSISTANT COMPTROLLER, BUDGET
MARK E. BROWN, DIRECTOR, OFFICE OF BUDGET

Mr. SMITH. The second item we will consider this afternoon is the fiscal year 1994 budget request for the Bureau of the Census, which is part of the Economics and Statistical Administration at the Department of Commerce. The request is for a total of $271,716,000, as follows: $140,798,000 for Salaries and Expenses; and $130,918,000 for Periodic Censuses and Programs. The total is a decrease of $25,539,000 below the amounts appropriated for fiscal year 1993.

We will insert the justifications submitted in support of this request into the record at this point.

[The justifications follow:]

Exhibit 1

Department of Commerce
Bureau of the Census

BUDGET ESTIMATES, FISCAL YEAR 1994
CONGRESSIONAL SUBMISSION

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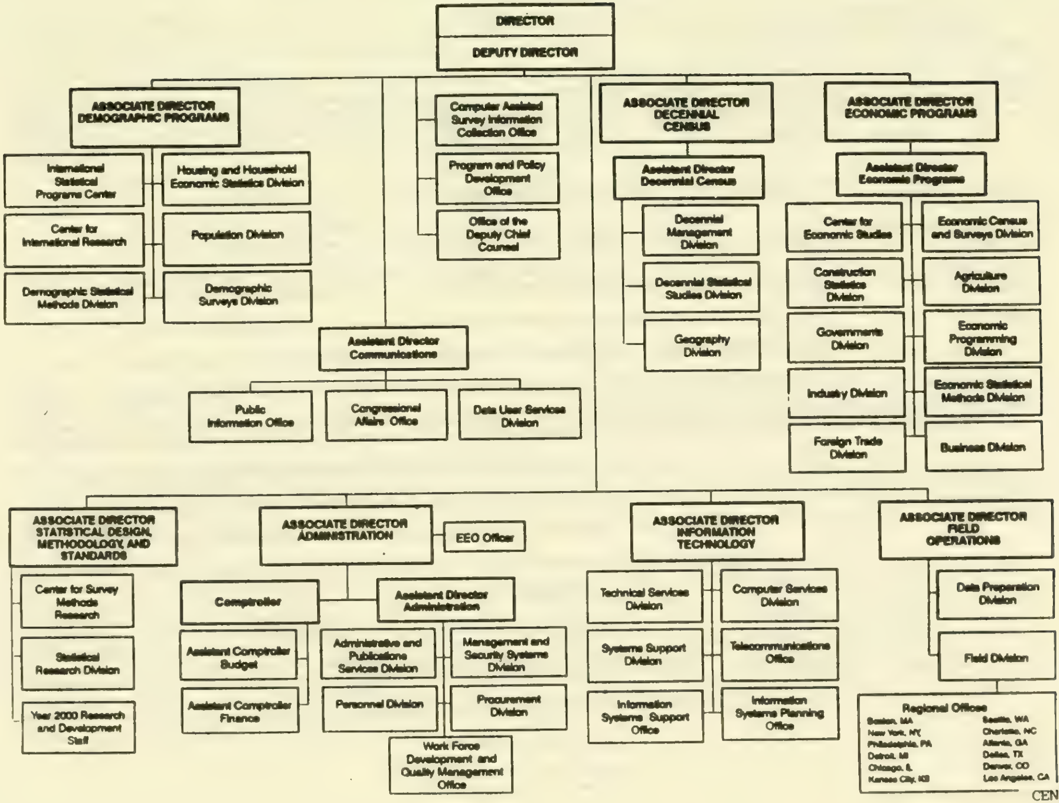
Exhibit 2

U.S. Department of Commerce
Bureau of the Census


DIRECTOR
DEPUTY DIRECTOR
ASSOCIATE DIRECTOR DEMOGRAPHIC PROGRAMS
International Statistical Programs Center
Housing and Household Economic Statistics Division
Center for International Research
Population Division
Demographic Statistical Methods Division
Demographic Surveys Division
Computer Assisted Survey Information Collection Office
Program and Policy Development Office
Office of the Deputy Chief Counsel
Assistant Director Communications
Public Information Office
Congressional Affairs Office
Data User Services Division
ASSOCIATE DIRECTOR DECENNIAL CENSUS
Assistant Director Decennial Census
Decennial Management Division
Decennial Statistical Studies Division
Geography Division
ASSOCIATE DIRECTOR ECONOMIC PROGRAMS
Assistant Director Economic Programs
Center for Economic Studies
Economic Census and Surveys Division
Construction Statistics Division
Agriculture Division
Governments Division
Economic Programming Division
Industry Division
Economic Statistical Methods Division
Foreign Trade Division
Business Division
ASSOCIATE DIRECTOR STATISTICAL DESIGN, METHODOLOGY, AND STANDARDS
Center for Survey Methods Research
Statistical Research Division
Year 2000 Research and Development Staff
ASSOCIATE DIRECTOR ADMINISTRATION
EEO Officer
Comptroller
Assistant Director Administration
Assistant Comptroller Budget
Assistant Comptroller Finance
Administrative and Publications Services Division
Management and Security Systems Division
Personnel Division
Procurement Division
Work Force Development and Quality Management Office
ASSOCIATE DIRECTOR INFORMATION TECHNOLOGY
Technical Services Division
Computer Services Division
Systems Support Division
Telecommunications Office
Information Systems Support Office
Information Systems Planning Office
ASSOCIATE DIRECTOR FIELD OPERATIONS
Data Preparation Division
Field Division
Regional Offices
Boston, MA
New York, NY
Philadelphia, PA
Detroit, MI
Chicago, IL
Kansas City, KS
Seattle, WA
Charlotte, NC
Atlanta, GA
Dallas, TX
Denver, CO
Los Angeles, CA

CEN-1

Exhibit 3

Department of Commerce
Bureau of the Census

GENERAL STATEMENT

MISSION OF THE BUREAU OF THE CENSUS

In its best interests, a civilized nation counts and profiles its people and institutions. Doing so ably and objectively is the abiding mission of the United States Census Bureau. We honor privacy, shun partisanship, invite scrutiny, and share our expertise globally. Striving to excel, we chronicle the Nation's past, describe its present, and illuminate its future.

BUREAU GOALS

For the next several years, the Census Bureau will focus on three basic themes:

- **IMPLEMENT THE ECONOMIC STATISTICS INITIATIVE FOR IMPROVING THE QUALITY OF STATISTICS**
- **IMPLEMENT DECADE INITIATIVES FOR THE YEAR 2000**
- **IMPLEMENT TOTAL QUALITY MANAGEMENT (TQM) PRINCIPLES AND PRACTICES**

The Census Bureau's continuing goal is to provide customers quality, timely economic and demographic information to meet current and emerging needs effectively and efficiently. Our primary customers include:

- Federal policy officials at all levels and in all branches of government.
- State and local officials in both general and special purpose governments.
- A broad spectrum of the educational, academic, and research community.
- A vast array of public, private and business institutions -- small and large -- mining, manufacturing, high-technology, and services, etc.
- A growing number of users interested in international or multi-national economic and demographic characteristics and trends.
- The general public for decisions and analyses for personal, family, and community related matters.

Today's decision makers operate in an increasingly complex world, and require current and correct information. The quality of the decisions depends, in part, on the statistical information provided by the Census Bureau. Although our statistical system is among the finest in the world, serious gaps exist for the rapidly changing areas of our society where information is urgently needed. The Census Bureau seeks to meet these new needs while preserving, and in some cases, enhancing ongoing core programs.

INTRODUCTION TO FY 1994 BUDGET

The FY 1994 President's budget request for the Census Bureau is $271.7 million, 4,241 permanent positions, and 4,996 FTE. Compared with the FY 1993 amount currently available, the FY 1994 request represents a decrease of $25.5 million, 455 permanent positions and 176 FTE. This request also includes $15.9 million for program initiatives.

The following summary provides a comparison between the FY 1993 funds currently available (includes transfer) and the FY 1994 estimate, and the related data on current employment.

(Dollars in thousands)

	1993 Currently Avail.		1994 Estimate		Inc.(+)/Dec.(-)	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
Salaries and Expenses............	2,041	$127,360	2,361	$140,798	320	$13,438
Periodic Censuses and Programs...	2,655	169,895	1,880	130,918	(775)	(38,977)
Total	4,696	$297,255	4,241	$271,716	(455)	($25,539)

The FY 1994 request reflects the immense statistical tasks facing the Census Bureau in the 1990's.

The FY 1994 request for the Salaries and Expenses appropriation includes $11.8 million in adjustments to base, of which $3.5 million is for program increments in Standard Industrial Classification (SIC) research, improved service sector statistics, and the Survey of Income and Program Participation (SIPP); and $5.1 million in program initiatives.

We will continue the implementation of the Economic Statistics Initiative for Improving the Quality of Economic Statistics with program increases and adjustments to base of $5.1 million. Additional program initiatives will Collect Annual Statistics on Women and Minority-Owned Businesses ($1.4 million) and will consolidate the funding for the Federal Audit Clearinghouse ($600 thousand). These increases are offset by reducing the frequency of three Census reports (-$390 thousand).

In FY 1994, we will focus on refining decennial census features that we will test in 1995. The FY 1994 increases ($3.8 million) will provide for the design and development of automated systems required to conduct the test census operations, including data collection systems. FY 1994 is the first year of the cycle for operational preparation for the decennial census. The focus of these activities is the preparatory work required for the census regardless of the design.

HIGHLIGHTS OF FY 1994 REQUEST

The FY 1994 program changes for the Census Bureau by appropriation, and a brief summary of each of these current and periodic program changes are as follows:

Salaries and Expenses:

For FY 1994, the budget request for the Census Bureau includes program initiatives totalling $5.1 million, 109 permanent positions, and 88 FTE. Program initiatives to implement the Economic Statistic Initiative total 77 permanent positions, 65 FTE, and $3.5 million. Additional program changes total 32 permanent positions, 23 FTE, and $1.6 million. This includes reducing the frequency of three reports that will save 5 permanent positions, 5 FTE, and $390 thousand.

Current economic statistics:

Business statistics (45 permanent positions, 41 FTE, and $2.2 million). Program improvements are requested to improve and expand service statistics. Service industry data are critical to measure accurately overall economic activity. This request provides needed improvements to Gross Domestic Product (GDP) source data on services, continues the expansion of the Census Bureau's current services program, and is essential for improving the quality of the national income and product accounts, input-output tables, and for productivity and price measurements.

The components of this request are:

- Improved measurement of services purchased by industry (19 permanent positions, 16 FTE, and $923 thousand). Only limited data on services (personal, business, and professional services, insurance, or maintenance construction) purchased by industry are collected every 5 years on the economic censuses. No information is available on an annual basis. In the absence of such information, the input-output (I-O) analyst must allocate the costs of purchased services among industry subsectors, as well as between intermediate and final consumption. To compound the estimating problem, there are no satisfactory estimates of the total costs of many individual services. In FY 1994, we will develop plans in consultation with the Bureau of Economic Analysis and other primary users and conduct a pilot study to determine if the data are available at the establishment, division, or enterprise level. In FY 1995, we will consult with companies to determine whether the response to our questions in the pilot study conform to our data requirements. In FY 1996, we will begin annual collection of the data.

- Expanded corporate financial data (15 permanent positions, 16 FTE, and $808 thousand). Although quarterly corporate profits data are essential to the calculation of the Gross Domestic Product (GDP) and the Federal Reserve's flow of funds accounts, such data for the service sector have never been collected by any Federal agency. This initiative is the first step in covering the service sector through a quarterly survey program. During FY 1993 and FY 1994, the Census Bureau will design and select a sample of business service corporations. This sample will represent one-third of the service sector profits, and have available the financial data needed for the survey. In the middle stages of this development process, the Census Bureau will design and test a questionnaire as part of the Quarterly Financial Report (QFR) program. This will be similar to that used in the Census Bureau data collection from manufacturing, mining and trade corporations. The collections of quarterly data will begin in 1995; the data will be integrated in the QFR publication and press release.

- Collect annual detail for more service industries (11 permanent positions, 9 FTE, and $440 thousand). Deregulation has had a serious negative impact on the amount of data available for various industries within the service sector. At the very time our data needs have grown, the availability of such data from traditional sources has declined dramatically. This initiative addresses major data gaps in the transportation area by introducing two new annual products covering water transportation, and charter, rural, and intercity busing. These data are needed for international bilateral negotiations, development of policy and legislative initiatives, forecasting of economic trends in the transportation sector, analysis of transportation systems needed by Federal and State organizations, and for other programs supporting elements of the U.S. transportation sector.

Construction statistics (32 permanent positions, 24 FTE, $1.3 million). This initiative will improve coverage of non-residential reconstruction; development, testing, and implementation of a survey to collect nonresidential building price information, which will lead to the production of a quarterly set of comprehensive and reliable deflators; and research and development of new techniques and methods to measure construction done at manufacturing and industrial sites.

Manufacturing statistics (-5 permanent positions, -5 FTE, -$390 thousand). The Census Bureau will reduce the frequency of three Census reports relating to cotton fiber and soybean, cotton, and other fats and oils from monthly to quarterly.

General economic statistics (17 permanent positions, 13 FTE, $1.4 million). Concerns are growing regarding the proper measurement of the impact of women and minority-owned businesses on the domestic economy. Currently, data on women and minority-owned businesses are collected every five years; they are too infrequent, and not timely enough to provide the information needed to adapt to economic changes. This initiative will expand the use of administrative record data through annual procurement of the data, provide linkages across years, and limit the annual mail portion of the program to a sample of new businesses.

Government statistics (20 permanent positions, 15 FTE, $600 thousand). The Single Audit Act of 1984 requires each government and nonprofit organization that receives $100,000 or more in a given year to have a comprehensive audit of all its operations. This initiative consolidates the funding for the Federal Audit Clearinghouse, which is operated by the Census Bureau as the Executive Agent of the Office of Management and Budget, and provides for the collection, review, and analysis of audit reports of local governments and nonprofit organizations.

Periodic Censuses and Programs:

This budget request includes program initiatives for $10.8 million, and an estimated $4.0 million for recovery of prior year obligations.

2000 Decennial Census (53 permanent positions, 42 FTE, $3.8 million). The 2000 Decennial Census planning activity is guided by the Under Secretary for Economic Affairs, who established a Task Force to coordinate planning activities within the Economics and Statistics Administration.

There are two program initiatives for the 2000 decennial census. The 1995 Test Program (20 permanent positions, 16 FTE, $1.4 million) will provide for the design and development of the automated systems required to conduct the test census operations, including data collection systems.

FY 1994 is the first year of the cycle for operational preparation for the 2000 decennial census. Decennial Operational Preparation (33 permanent positions, 26 FTE, and $2.4 million) will fund the preparatory work required for the census, regardless of the design. These activities are independent of the research and development program. We must begin to plan our processing systems, including determining the extent of decentralization of processing and its integration with data collection activities to ensure an efficient field structure. Starting this developmental work in FY 1994 is essential to the decisions required on the procurement of automation hardware and design/requirements for the development of supporting software.

Geographic support (95 permanent positions, 72 FTE, $6 million). There are two increases for this subactivity.

An initiative to Enhance the Power of TIGER/Create a Master Address File (MAF) Through Cooperative Partnerships with the USPS and Others (85 permanent positions, 64 FTE, $5.5 million) will provide funds to manage, in an automated format, a continuously updated and increasingly accurate map base for the United States and its territories that includes the correct mailing address and geographic location of every housing unit, group quarters, farm, business, and industrial establishment. This computer file will consistently exceed the expectations of the Census Bureau's customers, both internal and external, for current maps and correctly geocoded statistical data. It will also provide complete address lists to serve as the coverage control and sampling frame for approved statistical activities. To do this, the Census Bureau will seek to build partnerships with other agencies and organizations that share its concern for having current and correct geographic and address information. The resources requested represent only the Census Bureau's share of the cooperative partnership costs; each cooperating partner already funds its share of the work because that work is something that each partner performs to meet its internal requirements.

An initiative to Restore Essential 1993 Governmental Unit Boundaries (10 permanent positions, 8 FTE, and $500 thousand) will collect, process, and enter into the TIGER data base, in FY 1994, the 1993 boundary changes and associated changes in geographical attributes that we were unable to collect and process in FY 1993. This is in addition to the regular activities in FY 1994. Completing the collection, processing, and entry of the 1993 information will make this information current and complete in the TIGER data base.

Data processing systems (0 permanent positions, 0 FTE, $1 million). The central computer facility in FB-3 has long been hampered by problems regarding daily operations, expansion, and adapting to new technologies due to limiting structural characteristics of the building, aging building infrastructure, and power shortages. The General Services Administration (GSA) plans to build a computer facility for the Census Bureau. GSA will provide funds to construct the facility, including certain basic features for a modern computer facility. There are other features required in a computer center that GSA does not provide funding for, such as uninterruptible power supplies, emergency generators, and power distribution units. This initiative will provide funding for these critical features to be included in a new computer center.

PROGRAM ISSUE

The National Capital Region Office of the General Services Administration (GSA) has agreed to propose the construction of a new Census Bureau headquarters building, and renovation of FB-3 and FB-4 at the Suitland Federal Center (SFC). The proposed building is consistent with the Master Development Plan for the SFC, and will lead to a better utilization of the Federal Center.

GSA has also proposed a major renovation of FB-3 and FB-4. These two 50 year old buildings are badly in need of a comprehensive renovation to modernize them and bring them up to current health, fire, and safety standards.

The new building will be sized to house approximately half of the Census Bureau's employees that are currently located in FB-3. After the new building is completed and employees move to it from FB-3, the renovation of FB-3 will start. Employees will shift to newly renovated areas, first from FB-3 and then FB-4, until both buildings are completely renovated. Then sufficient vacant space will be available to move all Census Bureau employees from leased space to the SFC.

The following is a tentative schedule (in calendar, not fiscal years) for the new building and renovation of FB-3 and FB-4:

Approval (OMB and Congress)	1994
Design new building	1995-96
Construct new building	1997-99
Renovate FB-3	2000-04
Renovate FB-4	2005-08

This project will be funded through GSA.

Exhibit 5

Department of Commerce
Bureau of the Census
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Page No.		Positions	FTE	Amount
	Amount available for FY 1993 as shown in 1994 President's Budget	2,041	2,450	$127,360
	less: Dec. 17, 1992 Transfer Implemented (P.L. 102-395)			(3,405)
	Appropriation, 1993	2,041	2,450	123,955
CEN-13	plus 1994 adjustments to base	211	276	11,785
	1994 Base	2,252	2,726	135,740
	plus: 1994 program changes	109	88	5,058
	1994 Estimate	2,361	2,814	140,798

	Comparison by activity/subactivity: with totals by activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	Current surveys and statistics											
CEN-19	Current economic statistics	Pos./BA	1,358	$75,964	1,342	$77,301	1,469	$82,089	1,578	$87,147	109	$5,058
		FTE/Oblig	1,485	75,895	1,432		1,562		1,650		88	
CEN-69	Current demographic statistics	Pos./BA	654	46,168	645	46,864	729	50,337	729	50,337		
		FTE/Oblig	995	46,101	962		1,108		1,108			
CEN-79	Survey development and data services	Pos./BA	54	3,158	54	3,195	54	3,314	54	3,314		
		FTE/Oblig	56	2,888	56		56		56			
	Total	Pos./BA	2,066	125,290	2,041	127,360	2,252	135,740	2,361	140,798	109	5,058
		FTE/Oblig	2,536	124,884	2,450		2,726		2,814		88	
	Financing from transfers:											
	Transfer from other accounts											
	Transfer to other accounts					(3,405)						
	Appropriation	Pos.	2,066	125,290	2,041	123,955	2,252	135,740	2,361	140,798	109	5,058

Exhibit 7

Department of Commerce
Bureau of the Census
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease
	Amount	Amount	Amount	Amount	Amount
Total Obligation (includes transfer received)	$268,726	$287,360	$279,740	$284,798	$5,058
Financing:					
Offsetting collections from:					
Federal funds	(133,638)	(150,000)	(134,000)	(134,000)	
Non-Federal sources	(10,204)	(10,000)	(10,000)	(10,000)	
Recoveries					
Unobligated balance, start of year					
Unobligated balance transferred					
Unobligated balance, end of year					
Unobligated balance lapsing	406				
Budget Authority	125,290	127,360	135,740	140,798	5,058
Financing:					
Transfer from other accounts		(3,405)			
Transfer to other accounts					
Appropriation	125,290	123,955	135,740	140,798	5,058

Department of Commerce
Bureau of the Census
Salaries and Expenses
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Exhibit 8

	Positions	FTE	Amount
Transfers			
Adjustment			
Continuation of 1993 operating level			$3,405
Administrative expenses			(793)
FTE reduction			(1,541)
Financing			
Other Changes:			
1993 Pay Raise			886
Reinstate '93 increments for:			
Improved and expanded service statistics funded in '92 appropriation	32	34	1,577
SIC Research funded in '92 appropriation	2	2	100
Restoration of 1993 base reduction	152	156	3,928
FY 1994 increment for the Survey of Income and Program Participation (SIPP)	25	84	1,849
Within-grade step increases			970
Civil service retirement contributions (CSRS)			(25)
Federal Employees' Retirement System (FERS)			45
Thrift Savings Plan			306
Federal Insurance Contribution Act (FICA) - OASDI			5
Health insurance			303
Employees' compensation fund			24
Travel:			
Per diem			78
Rental payments to GSA			291
Printing and reproduction			92
Other services:			
Working Capital Fund			238
Supplies and materials			47
Subtotal, other changes	211	276	10,714
Total, adjustments to base	211	276	11,785

Exhibit 9

Department of Commerce
Bureau of the Census
Salaries and Expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

		Perm Pos.	Amount
Adjustments:			
Continuation of 1993 operating level			$3,405
In order to continue the 1993 operating level as approved by Congress, $3,405,000 is required.			
Administrative expenses			(793)
Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $793,000 in 1994 for administrative expenses.			
FTE reduction			(1,541)
Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be savings of $1,541,000 in our personnel costs.			
Pay Raises			886
Full-year cost of 1993 pay increase and related costs. A pay raise of 3.7% was effective January 1, 1993.			
Total cost in 1994 of 1993 pay increase	$3,545,000		
Less amount funded in 1993	-2,659,000		
Less amount absorbed	0		
Amount requested in 1994 to provide full-year cost of 1993 pay increase	886,000		
Improved and Expanded Service Statistics		32	1,577
In FY 1992, Congress appropriated funds to improve the quality of economic statistics. The amount requested for 1994 is the increment required to continue this program.			
Standard Industrial Classification (SIC) Research		2	100
In FY 1992, Congress appropriated funds to improve the quality of economic statistics. The amount requested for 1994 is the increment required to conduct SIC research.			

	Perm Pos.	Amount
Restoration of 1993 base reduction	152	$3,928

This increase is required to maintain 1993 base program activity. We cannot absorb this reduction in Salaries and Expenses without disrupting longstanding economic and demographic data collection and reporting for the nation. This will affect Bureau of Economic Analysis (BEA) and many other monthly, quarterly and annual data users.

	Perm Pos.	Amount
Survey of Income and Program Participation (SIPP)	25	1,849

In FY 1991, the Congress provided funding to support the SIPP design. In FY 1994, this increment will continue to support the new design resulting from formal external evaluation of the current survey by a panel of the Committee on National Statistics, extensive internal reviews, consultation with major Federal users, and a formal process to solicit opinions from other current and potential users.

	Perm Pos.	Amount
Within-grade step increase		970

An increase of $969,692 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 1994.

Estimated number of within-grade step increases	1,431
Step increases not earned due to turnover (10.2% x 1,431)	146
Average step above step 1 per separation	3
Average cost per within-in grade step increase	849
Gross cost of scheduled step increase ($849 x 1,431)	1,214,919
Less savings due to separations ($849 x 146 x 3)	-371,862
Subtotal, personnel compensation	843,057
Benefits	126,635
Total adjustment-to-base	969,692

	Perm Pos.	Amount
Civil Service Retirement System (CSRS)		(25)

The number of employees covered by Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 57.8% in 1993 to 57.3% in 1994. Contribution rates will remain the same.

		Perm Pos.	Amount
Regular employees:			
1994 $70,068,000 x .573 x .07	2,810,427		
1993 $70,068,000 x .578 x .07	2,834,951		
Total adjustment-to-base	-24,524		
Federal Employees' Retirement System (FERS)			$45

The number of employees covered by FERS will continue to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. We estimate that the percentage of payroll of employees covered by FERS will rise from 42.2% in 1993 to 42.7% in 1994. The contribution rate will remain the same.

Regular employees:			
1994 $70,068,000 x .427 x .129	$3,859,556		
1993 $70,068,000 x .422 x .129	3,814,362		
Total adjustment-to-base	45,194		
Thrift Savings Plan (TSP)			306

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. Based on recent payroll data, the contribution rate is 3% compared with the 2% used in the 1993 enacted budget.

Regular employees:			
1994 $70,068,000 x .427 x .03	897,571		
1993 $70,068,000 x .422 x .02	591,374		
Total adjustment-to-base	306,197		
Federal Insurance Contributions Act (FICA)			5

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from $57,300 in 1993 to $60,150 in 1994. The OASDI tax rate will remain 6.2% in 1994.

Regular employees covered by FERS	
1994 $70,068,000 x .427 x .971 x .062	1,801,186
1993 $70,068,000 x .422 x .9788 x .062	1,794,394
Subtotal	6,792

		Perm Pos.	Amount
Other employees not covered by a retirement system			
1994 $3,015,000 x .971 x .062	181,509		
1993 $3,015,000 x .9788 x .062	182,967		
Subtotal	-1,458		
Total adjustment-to-base	5,334		
Health Insurance			$303

Effective January 1992, the contribution to Federal employees' health insurance premiums increased by 10.5%. Applied against the 1993 estimate of $2,881,000 the additional amount required is $302,505.

		Perm Pos.	Amount
Employees' Compensation Fund			24

The increase in the repayment to the Employees' Compensation Fund is the result of higher costs in the year ending June 30, 1992, than in the year ending June 30, 1991. The FY 1992 charges of $1,120,000 will be reimbursed to the Department of Labor Employees' Compensation Fund in FY 1994 pursuant to 5 USC 8147.

		Perm Pos.	Amount
Per diem Increase			78

Effective March 1992, the General Services Administration raised per diem rates. This increase results in a 6.1% increase to this bureau. This percentage was applied to the 1993 estimate of $1,286,000 to arrive at an increase of $78,446.

		Perm Pos.	Amount
Rental Payment to GSA			291

GSA rates are projected to increase 3.0% in 1994. This percentage was applied to the 1993 estimate of $9,696,000 to arrive at an increase of $290,880.

		Perm Pos.	Amount
GPO Printing			92

GPO has provided an estimated rate increase of 3.7%. This percentage was applied to the 1993 estimate of $2,481,000 to arrive at an increase of $91,797.

		Perm Pos.	Amount
Working Capital Fund, General Administration			238

An additional $238,000 is required to fund cost increases in the General Administration's Working Capital Fund.

	Perm Pos.	Amount
Supplies and materials...		$47
Based on the GDP deflator of 2.4%, the cost of supplies and materials is expected to increase by $46,608 from the 1993 estimate of $1,942,000.		
Total..	211	$11,785

Exhibit 10

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Current economic statistics

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Business statistics	Pos./BA	324	$17,099	320	$17,739	373	$20,062	418	$22,233	45	$2,171
	FTE/Oblig.	342	17,266	334		390		431		41	
Construction statistics	Pos./BA	157	8,564	155	8,673	166	9,014	198	10,314	32	1,300
	FTE/Oblig.	179	8,510	172		183		207		24	
Manufacturing statistics	Pos./BA	258	15,190	255	15,461	272	16,083	267	15,693	(5)	(390)
	FTE/Oblig.	286	15,039	274		291		286		(5)	
General economic statistics	Pos./BA	169	11,317	167	11,449	184	12,000	201	13,377	17	1,377
	FTE/Oblig.	204	11,462	195		212		225		13	
Foreign trade statistics	Pos./BA	350	18,223	346	18,464	368	19,207	368	19,207	0	0
	FTE/Oblig.	371	18,127	358		380		380		0	
Government statistics	Pos./BA	100	5,571	99	5,515	106	5,723	126	6,323	20	600
	FTE/Oblig.	103	5,491	99		106		121		15	
Total	Pos./BA	1,358	75,964	1,342	77,301	1,469	82,089	1,578	87,147	109	5,058
	FTE/Oblig.	1,485	75,895	1,432		1,562		1,650		88	

Exhibit 12

Department of Commerce
Bureau of the Census
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Current surveys and statistics
Subactivity: Current economic statistics

Goal Statement

The goals of Current Economic Statistics are to provide current high quality economic statistics, and meet information requirements measuring performance in the manufacturing sector; the business community (service and distributive activity); characteristics of new housing and value of new construction; as well as federal expenditure data on a geographic basis. In addition, statistics are provided on imports, exports, and the balance of trade between the United States and its international trading partners.

Objectives:

The objectives of Current Economic Statistics programs are to update, maintain and improve the quality, accuracy, reliability and timeliness of the information collected. To provide annual, quarterly, monthly and periodic data at the geographic level that are responsive to federal, state, and community needs. To ensure the continued focus of its programs on statistics important to national needs. To streamline, simplify and reduce the reporting process to the maximum extent possible, and to conduct activities required for legislative and planning purposes.

Base Program

Business Statistics

Current retail trade reports. This program provides monthly and annual estimates of retail sales, end-of-month inventories, and inventory/sales ratios. The monthly estimates consist of retail sales and inventories by detailed kinds of U.S. businesses, sales by major kind-of-business groups for the 4 regions and 9 geographic divisions of the United States, and sales by limited kind-of-business categories for the 25 largest metropolitan areas, 15 primary metropolitan statistical areas, 5 cities, and 28 large states.

The Census Bureau provides advance sales estimates for the United States as a whole, based on early reports from a small subsample of the larger monthly retail survey panel, for 12 major kind-of-business categories. This advance monthly retail publication is designated as one of the principal economic indicators. The media, including television newscasts and the financial pages of newspapers and magazines, regularly highlight the sales levels and trends from this report.

The annual portion of the Current Retail Trade program provides key measures of retail activity for intercensal years and is the basis for benchmarking monthly estimates of sales and inventories.

The Annual Survey includes data by kinds of business at the national level on annual sales and year-end inventories, methods of inventory valuation, sales by legal form of ownership, accounts receivable balances, and costs of purchased merchandise.

Program output	Sample size	Universe
Monthly retail trade reports.............	12,500 firms	2.4 million establishments
Advance monthly retail trade reports......	3,200 firms (subsample)	2.4 million establishments
Annual retail trade report................	22,000 firms	2.4 million establishments

Data user	Use
Bureau of Economic Analysis..............	Compute national accounts.
Council of Economic Advisers, Department of Treasury and other agencies...........	Monetary and fiscal policies.
State and local governments and private businesses..............................	Measure consumer activity.
Local areas..............................	Assess adverse conditions such as weather, strikes and resource shortages and plan recovery from these conditions.
Large and small retail firms.............	Determine market shares, develop forecast models, and past and potential changes in buying habits.

Current wholesale trade reports. This program provides monthly estimates of merchant wholesale trade sales, end-of month inventories, and stock/sales ratios, along with annual estimates of sales, inventories, methods of inventory valuation, purchases, sales/inventory ratios, and gross margins for merchant wholesalers by kind-of-business groups at the national level. The annual data provide the basis for benchmark estimates of monthly sales and inventories, including the collection and publication of purchases and inventory valuation data.

Program output	Sample size	Universe
Monthly sales and end-of month inventories......	3,500 firms	335,000 merchant wholesale establishments
Annual sales, purchases, inventories and gross margins................................	4,800 firms	Same

Data user	Use
Bureau of Economic Analysis, Federal Reserve Board, Bureau of Labor Statistics, Council of Economic Advisers...........................	Leading economic indicator to evaluate current economic conditions, and to develop monetary policies.
Bureau of Economic Analysis....................	Compute national accounts, update industrial input-output tables between censuses, benchmark revisions to monthly series and revise GDP estimates.
Private businesses............................	Develop forecast models and measure changes in buying patterns.

Current service trade reports. This program provides annual information on selected services in the United States. The Service Annual Survey (SAS) includes estimates of receipts for major service groups (hotels and motels; personal services; business, automotive, and miscellaneous repair services; social services; and health, legal and other professional services). Since FY 1985, there has been an incremental but consistent expansion to SAS. The Census Bureau added new industries that were covered only in the 5-year census and began providing detailed income and expenditure data for selected key industries in the travel, business and health service industries where previously existing data were limited to a single measure of total operating receipts. We added to this expansion by publishing total receipts data for 45 additional industries, including many newly identified by the 1987 revision of the SIC. Also, we began publishing detailed receipts line and expenditures data for computer and data processing services, management and consulting services, equipment rental and leasing, automotive rental and leasing, amusement and recreation services, and offices of health practitioners.

The Census Bureau initiated the Motor Freight Transportation and Warehousing Survey in FY 1986. The survey produces detailed estimates of revenue and expenses for the trucking and warehousing industries, as well as inventories of revenue-generating freight equipment for the trucking industry. In FY 1987, the Census Bureau more than doubled the number of data items in the survey.

In FY 1991, the Census Bureau initiated the Annual Survey of Communication Services. This survey provides detailed estimates of revenue and expenses for the telephone industry, radio and television broadcasting, cable television, and other communication services.

Program output	Sample size	Universe
Service Annual Survey...................	25,000 firms	6 million personal and business service establishments
Motor Freight Transportation and Warehousing Survey..................	1,500 firms	100,000 trucking and warehousing establishments

Program output	Sample size	Universe
Annual Survey of Communication Services...............................	1,000 firms	30,000 telephone, radio and television broadcasting, cable TV, and other communication establishments
Annual Water Transportation Survey......	1,000 firms	7,000 establishments
Charter, Rural and Intercity Bus Survey............................	500 firms	1,500 establishments

Data user	Use
Bureau of Economic Analysis.............	Measure consumer activity and compute GDP accounts.
Bureau of Labor Statistics..............	Develop price indexes and productivity measurements.
Department of Transportation............	Policy development and program management and evaluation.
Federal Reserve Board...................	Policy development and flow of funds estimates.
Private businesses......................	Project industry growth, measure performance against the aggregate, and plan for changing patterns in consumer activity.
Trade and professional associations......	Better understanding of volatile industry trends.

Statistical sample improvement. This program provides research, development and implementation of sample improvements for surveys conducted under the Business Statistics line item. This process includes redrawing samples, reviewing economic series and data relevant to trends in distributive and service industries, and making other quality improvements. These activities maintain or improve the quality of current survey estimates, and provide the basis for research on more efficient methods of survey processing with a view toward reducing respondent burden and survey costs.

The Census Bureau schedules sample updates and quality improvements on a quarterly and annual basis. These updates improve coverage of the business universe and ensure accurate representation of those firms selected in the samples. These activities maintain current business survey information on the same classification basis and coverage as the most recent economic censuses and protect valuable economic time series from extensive and costly revision. Also, the Census Bureau reselects samples periodically to redistribute respondent burden and minimize the sampling error. FY 1994 activities include: 1) The continuation of automation plans for the collection, tabulation, and analysis of current business statistics leading to a more timely release of statistical information, enhanced accuracy of the data, and increased efficiency in survey operations; 2) Improving data quality and containing survey costs through increased use of administrative records and elimination of the area sample component of our retail and service samples; 3) Modernizing sample update methodology to take advantage of information compiled from the 1992 economic censuses and the Bureau's Standard Statistical Establishment List; and 4) Researching and implementing data quality improvements for the Monthly Advance Retail Trade Survey.

Exhibit 13

Department of Commerce
Bureau of the Census
Salaries and Expenses
INCREASE FOR FY 1994
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Current economic statistics

		1994 Base		1994 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Business statistics............	Pos./BA	373	$20,062	418	$22,233	45	$2,171
	FTE/Obl.	390	20,062	431	22,233	41	2,171

Improved and expanded service statistics (45 permanent positions, 41 FTE, and $2,171,000). Service industry data are critical to measure accurately overall economic activity. This request provides needed improvements to Gross Domestic Product (GDP) source data on services. While recent statistical-gathering efforts have brought about needed improvements, economic indicators used by the Federal Government to shape economic policy still do not adequately reflect the dominant role of services. In addition, the National Transportation Policy Statement released by Department of Transportation highlights similar transportation services data needs. A major component of the recommendations concerned expansion of business services sector statistics to address serious flaws that currently exist in the measurement of output, prices and productivity in the service sector. This initiative continues the expansion of the Census Bureau's current services program and is essential for improving the quality of the national income and product accounts, input-output tables, and for productivity and price measurements.

The components of this request are:

o Improved measurement of services purchased by industry (19 permanent positions, 16 FTE, and $923,000). Only limited data on services (personal, business, and professional services, insurance, or maintenance construction) purchased by industry are collected every 5 years on the economic censuses. No information is available on an annual basis. In the absence of such information, the input-output (I-O) analyst must allocate the costs of purchased services among industry subsectors, as well as between intermediate and final consumption. To compound the estimating problem, there are no satisfactory estimates of the total costs of many individual services. In FY 1994, we will develop plans in consultation with the Bureau of Economic Analysis and other primary users and conduct a pilot study to determine if the data are available at the establishment, division or enterprise level. In FY 1995, we will consult with companies to determine whether the response to our questions in the pilot study conform to our data requirements. In FY 1996, we will begin annual collection of the data.

- Expanded corporate financial data (15 permanent positions, 16 FTE, and $808,000). Although quarterly corporate profits data are essential to the calculation of the Gross Domestic Product (GDP) and the Federal Reserve's flow of funds accounts, such data for the service sector have never been collected by any Federal agency. This initiative is the first step in covering the service sector through a quarterly survey program. During FY 1994 and FY 1995, the Census Bureau will design and select a sample of business service corporations. This sample will represent one-third of the service sector profits and have available the financial data needed for the survey. In the middle stages of this development process, the Census Bureau will design and test a questionnaire as part of the Quarterly Financial Report (QFR) program. This will be similar to that used in the Census Bureau data collection from manufacturing, mining and trade corporations. The collections of quarterly data will begin in 1996; the data will be integrated in the QFR publication and press release.

- Collect annual detail for more service industries (11 permanent positions, 9 FTE, and $440,000). Deregulation has had a serious negative impact on the amount of data available for various industries within the services sector. This problem is exacerbated in many areas by the new openness to market entrants, technological innovation that has contributed to organizational restructuring and service delivery, and the globalization of our economy. At the very time our data needs have grown, the availability of such data from traditional sources has declined dramatically.

  This initiative addresses major data gaps in the transportation area by introducing two new annual products covering water transportation, and charter, rural and intercity busing. This will provide detailed income and expenditure data for passengers and freight movements in these industries. We will begin data collection in the first quarter of calendar year 1994 (covering years 1992 and 1993), and publish results by the end of the year. These data are needed for international bilateral negotiations, development of policy and legislative initiatives, forecasting of economic trends in the transportation sector, analysis of transportation system needs by Federal and State organizations, and for other programs supporting elements of the U.S. transportation sector.

This initiative supports the implementation of the Economic Statistic Initiative for improving the quality of economic statistics.

Exhibit 14

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Improved and expanded service statistics

Title:		Grade	Number	Annual Salary	Total Salaries
Statistician		13	3	$47,920	$143,760
Programmer		13	2	47,920	95,840
Statistician		12	2	40,298	80,596
Programmer		12	2	40,298	80,596
Accountant		11	2	33,623	67,246
Statistician		11	4	33,623	134,492
Programmer		11	2	33,623	67,246
Program analyst		11	2	33,623	67,246
Programmer		9	3	27,789	83,367
Computer operator		9	1	27,789	27,789
Program analyst		9	1	27,789	27,789
Statistician		9	3	27,789	83,367
Accountant		9	2	27,789	55,578
Statistical assistant		9	2	27,789	55,578
Statistician		7	3	22,717	68,151
Programmer		7	3	22,717	68,151
Program analyst		7	2	22,717	45,434
Corporate analyst		7	1	22,717	22,717
Computer operator		7	2	22,717	45,434
Accounting technician		5	1	18,340	18,340
Financial reports assistant		4	1	16,393	16,393
Clerk-typist		3	1	17,525	17,525
Total			45		1,372,635
Less lapse	25.00%		(11)		(343,159)
Total full-time permanent (FTE)			35		1,029,476

Personnel Data

Full-Time Equivalent Employment:	
Full-time permanent	35
Other than full-time permanent	6
Total	41
Authorized Positions:	
Full-time permanent	45
Other than full-time permanent	6
Total	51

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Improved and expanded service statistics

Object Class	1994 Increase
11 Personnel compensation	
11.1 Full-time permanent	$1,029
11.3 Other than full-time permanent	151
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 Total personnel compensation	1,180
12.1 Civilian personnel Benefits	345
13 Benefits for former personnel	0
21 Travel and transportation of persons	80
22 Transportation of things	1
23.1 Rental payments to GSA	174
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	98
24 Printing and reproduction	105
25 Other services	115
26 Supplies and materials	28
31 Equipment	45
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 Total	2,171

Construction statistics

Construction permits data. This program provides monthly and annual statistics on the number and valuation of privately-owned housing units and nonresidential buildings that are authorized by building permits. Data collected monthly from a sample of 8,300 permit-issuing places are used to produce national, regional, and state estimates, as well as totals for selected metropolitan areas and individual places. Annually, we collect data and make it available for permit-issuing places that are not in the monthly sample. The national estimate of housing units authorized by building permits is a component of the Index of Leading Economic Indicators. Also, we use data from this program to design samples for the Census Bureau's Survey of Construction and the Current Population Survey.

Program output	Sample size	Universe
Monthly permits data................	8,300 permit-issuing offices	17,000 permit-issuing offices
Annual permits data.................	8,700 permit-issuing offices not in monthly sample	17,000 permit-issuing offices

Data user	Use
Federal Reserve Board; Office of Thrift Supervision; Department of Housing and Urban Development, and Bureau of Economic Analysis.................................	Analyze national and regional economic and evaluation programs.
Financial institutions....................	Estimate mortgage demand.
Private businesses........................	Do market planning, and investment analysis.
State and local agencies..................	Do local area planning.

Construction starts data. This program provides monthly statistics on the number of housing units started and the number of housing units authorized (but not yet started) for the United States and the four Census regions (Northeast, Midwest, South and West), as well as national data on ownership and number of units in structure. In conjunction with the Department of Housing and Urban Development, this program also collects information on the completion and sale of new housing units. Information on housing starts is a principal economic indicator. Also, this program develops and publishes quarterly and annual price indexes on residential construction based on financial and physical characteristics data collected in the sample survey.

Program output	Sample size	Universe
Monthly construction starts....................	23,000 buildings	1,000,000 buildings

Data user	Use
Department of Housing and Urban Development and Congress..................................	Develop and evaluate housing programs.
Council of Economic Advisers, Federal Reserve Board, Office of Management and Budget and Bureau of Economic Analysis....................	Determine condition of economy and develop national income and product accounts.
Bureau of Economic Analysis....................	Produce constant dollar series for residential construction component of GDP.
Manufacturers..................................	Plan production schedules and determine market shares.
Other Federal agencies.........................	Measure new housing cost changes.
Insurance companies and financial institutions.	Adjust rates and establish replacement costs. Estimate mortgage demand.

Construction value data. This program provides monthly, national estimates of the dollar value of new construction put in place by type of construction. The categories include residential and non-residential buildings as well as non-building construction such as highways and sewer projects. Monthly surveys provide data for state and local and most privately owned construction. The Census Bureau develops estimates on construction outlays for the remaining types of construction (except Federal) by using indirect measurements, analytical techniques and secondary data sources; and obtains Federal construction expenditures directly from the agencies.

This construction value data program also provides quarterly data on expenditures by owners of residential properties for improvements and repairs. Data on improvements (additions, alterations and major replacements) are used for direct input to the construction put in place series. Limited geographic and type-of-expenditure data are provided on an annual basis.

Program output	Sample size	Universe
Monthly value data	12,800 construction projects	150,000-200,000 projects
Quarterly improvements and repairs expenditures	2,000 rental properties and units; 3,700 owner-occupied units	Over 100 million

Data user	Use
Bureau of Economic Analysis	Measure the structures components of the gross private domestic investment and state and local government expenditures in the GDP.
Council of Economic Advisers, Federal Reserve Board and other agencies	Determine condition of this key industry.
Private businesses (especially those providing construction materials)	Market planning, production scheduling, planning.

Exhibit 13

Department of Commerce
Bureau of the Census
Salaries and Expenses
INCREASE FOR FY 1994
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Current economic statistics

		1994 Base		1994 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Construction statistics.........	Pos/BA	166	$9,014	198	$10,314	32	$1,300
	FTE/Obl.	183	9,014	207	10,314	24	1,300

Improvement of construction statistics (32 permanent positions, 24 FTE, and $1,300,000). This request is designed to correct serious deficiencies in the measurement of the value of new construction collected in the Value in Place (VIP) series. The data quality of this economic indicator, used by Federal government policymakers and analysts, is not adequate for the increased importance which it has assumed. Improved construction statistics will provide a much better measure of the Nation's capital stock investment, a key determinate of our future economic growth, and more accurate measures of productivity in the construction industry.

The components of this request are:

- Nonresidential Reconstruction: This is a large and growing economic activity not adequately measured. The VIP series includes some nonresidential reconstruction, but is limited primarily to larger projects. As much as $17 billion a year may be missed.

  This request calls for the development of a sample of nonresidential buildings and a quarterly survey of the owners of those buildings to obtain reconstruction expenditures.

- Nonresidential Building Price Indexes: The measurement of real investment and productivity in the construction industry currently relies on a price deflator for nonresidential construction that is a combination of a residential price index and a cost index based on the experience of a single construction company. The inadequacy of this deflator has been recognized for 25 years.

  This request provides for the development, testing, and implementation of a survey to collect nonresidential building pricing information which will lead to the production of a quarterly set of comprehensive and reliable deflators.

- Industrial Construction Statistics: One of the most important and difficult types of construction to measure is construction done at manufacturing and industrial sites. Many times, this kind of construction is done without the need for local building permit authorization and far from accessible roads. Coverage in our existing survey of new construction projects is inadequate.

  This request seeks funding for the research and development of new techniques and methods to measure this activity. These methods will involve data collection efforts that work in concert with existing surveys of industrial establishments or companies such as the Annual Survey of Manufacturers or the new Annual Capital Expenditures Survey.

This initiative supports the implementation of the Economic Statistic Initiative for improving the quality of economic statistics.

Exhibit 14

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Improvements to construction statistics

Title:		Grade	Number	Annual Salary	Total Salaries
Survey statistician		14	1	$56,627	$56,627
Survey statistician		13	5	47,920	239,600
Survey statistician		12	3	40,298	120,894
Programmer		12	4	40,298	161,192
Program analyst		12	2	40,298	80,596
Survey statistician		11	3	33,623	100,869
Mathematical statistician		11	3	33,623	100,869
Programmer		9	1	27,789	27,789
Survey statistician		7	2	22,717	45,434
Programmer		7	2	22,717	45,434
Program analyst		7	2	22,717	45,434
Statistical assistant		5	3	18,340	55,020
Clerk typist		3	1	17,525	17,525
Total			32		1,097,283
Less lapse	25.00%		(8)		(274,321)
Total full-time permanent (FTE)			24		822,962

Personnel Data	
Full-Time Equivalent Employment:	
Full-time permanent	24
Other than full-time permanent	0
Total	24
Authorized Positions:	
Full-time permanent	32
Other than full-time permanent	0
Total	32

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Improvements to Construction Statistics

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$823
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	823
12.1	Civilian personnel Benefits	240
13	Benefits for former personnel	0
21	Travel and transportation of persons	22
22	Transportation of things	0
23.1	Rental payments to GSA	123
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	1
24	Printing and reproduction	0
25	Other services	44
26	Supplies and materials	19
31	Equipment	28
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	1,300

Manufacturing Statistics

Current industrial reports. This program supplements the product data collected in the Census of Manufactures with current measures of manufacturing activity in the United States. The surveys provide current data on 4,400 of the 11,000 total manufactured products, representing almost 30 percent of the more than $2.8 trillion value of shipments of all manufactured goods.

Production and shipments information are the two common data items collected, but the program also collects other measures such as inventories, orders and consumption in a number of surveys. These surveys measure manufacturing activity in important commodity areas such as textile and apparel, chemicals, primary metals, computer and electronic components, industrial equipment and consumer goods.

The Current Industrial Reports program uses mail surveys with a unified data collection, processing and publication system. The Census Bureau updates the survey panels for most reports annually and reconciles the estimates to the results of the broader-based Annual Survey of Manufactures and the Census of Manufactures. The content of each survey is updated periodically to ensure that the data continue to meet the needs of government and industry data users.

Also, the Census Bureau has added important new content to this program with increasing emphasis on the development and implementation of surveys which focus on such things as production of high technology products, use of advanced manufacturing technologies, systems integration, and use of recycled materials by manufacturing establishments in selected industries.

For FY 1993, the Census Bureau will produce the following three reports on a monthly basis: The M22P, "Consumption on the Cotton System and Stocks," the M20J, "Fats and Oils-Oilseed Crushings," and the M20K, "Fats and Oils-Production, Consumption, and Stocks."

Program output	Sample size	Universe
Monthly, quarterly and annual data on production of about 4,400 manufactured products...............	34,000 manufacturing establishments	369,000 manufacturing establishments

Data user	Use
Federal Reserve Board............................	Prepare monthly index of industrial production.
Bureau of Economic Analysis........................	Prepare quarterly estimates of GDP.
International Trade Administration, International Trade Commission.....................	Monitor effect of international trade on domestic production and meet responsibilities under Trade Act of 1974; assess production trends; and forecast future industrial activity.
Bureau of Labor Statistics.........................	Develop price indexes and estimates of productivity.

Data user (cont'd)	Use (cont'd)
Private industry	Monitor effect of international trade on domestic production, evaluate relationship between company and industry performance, market analyses, assess current business conditions, and plan future operations.
Department of Agriculture	Monitor production and consumption of food, clothing, lumber, and pulpwood.
Bureau of Mines	Prepare quarterly and annual publications on production of chemicals and metals.
Environmental Protection Agency	Use chemical and air pollution equipment data for environmental impact studies.
Department of Treasury	Monitor industries in granting import/export licenses.
Department of Defense	Use data for analyses of defense preparedness, planning for natural disasters, and critical technologies.
Department of Housing and Urban Development	Monitor production of plumbing fixtures.
Department of Transportation	Monitor production of transportation equipment.
Department of Justice, Federal Trade Commission	Use data in anti-trust cases.
State Department, Office of U.S. Trade Representative	Monitor effect of international trade on domestic production.

Annual survey of manufactures. This program supplies the key annual measures of manufacturing activity. The data items include employment, payrolls, supplementary labor cost (fringe benefits), cost of materials, fuels consumed and capital expenditures; and output data such as shipments by industry and product class, shipments for export, and inventories by stage of fabrication. National estimates are provided by industry classifications as defined in the Standard Industrial Classification (SIC) for about 1,500 product classes. In addition, the program compiles basic statistics such as employment and value of shipments for states.

Program output	Sample size	Universe
Annual statistics on inputs used and outputs produced by manufacturers	56,000 manufacturing establishments	369,000 manufacturing establishments

Data user	Use
Bureau of Labor Statistics	Calculate annual productivity series, update producer price indexes, and calculate weights when new components are added.
Federal Reserve Board	Prepare Index of Industrial Production.
Bureau of Economic Analysis	Prepare annual update of GDP and weight GDP deflators.
International Trade Administration	Design and evaluate export development program.
Commerce Industrial Outlook publication	Evaluate and forecast future industrial activity.
Census Bureau	Benchmark and reconcile monthly and quarterly data on manufacturing production and inventories.
Private industry	Plan operations, make investment and production decisions, and evaluate relationship between company and industry performance.

Industrial indicators and business investment. The Manufacturers' Shipments, Inventories and Orders Survey (M3) provides the indicators of monthly changes and trends for the entire U.S. manufacturing sector. This report is one of the principal economic indicators for the United States. The shipments data are important coincident indicators of the business cycle; new orders and inventories are important leading indicators. The Wall Street Journal and the financial pages of other newspapers and magazines consistently highlight this information.

The Manufacturers' Shipments, Inventories and Orders Survey provides monthly data on the dollar volume of shipments, new and unfilled orders, and total inventories for 46 industry categories and 6 market categories. Also, the M3 survey provides data on inventories by stage of fabrication for 16 broader industry groups and separate data for household durables and the defense and non-defense portions of the capital goods industries. The Annual Survey of Manufactures (ASM) data for the corresponding year are used to make historical benchmark revisions to shipments and inventory estimates.

Several activities have led to improvements in the quality and usefulness of the M3 survey. Probability sampling techniques are used for selected industries comprised of a large stratum of medium and small companies, touch tone data entry and computer assisted telephone interviewing techniques have been introduced in an effort to improve response rates, a "new orders reported series" that includes economic relevant items such as orders for exports is being investigated; and the ASM estimates used to benchmark the M3 have been improved by the more timely inclusion of new plant operations in the annual statistics.

The Plant and Equipment Expenditures Survey is another principal economic indicator for the United States. This survey provides critical data on investment plans in the manufacturing sector at the 2-digit Standard Industrial Classification (SIC) level and the non-manufacturing sectors by broad categories. Also, it provides data on actual investments as a current indicator of production capacity. The business sectors that account for a large proportion of investments are surveyed quarterly. The results of this survey are also prominently discussed in The Wall Street Journal and the financial pages of other newspapers and magazines.

The Annual Capital Expenditures Survey, which began in FY 1991 provides data on business investments by types of equipment and buildings at the 2- or 3- digit Standard Industrial Classification (SIC) level. This amount of detail is critical in measuring the differential effects of technological, price, and regulatory changes on production facilities for analyzing productivity growth, ability of the U.S. business sector to compete with foreign producers, utilization of plant capacity, and overall economic performance. Data from this survey will serve as a benchmark for the quarterly Plant and Equipment Expenditures and the monthly Value of New Construction Put in Place surveys.

Program output	Sample size	Universe
Monthly statistics on manufacturers' shipments, inventories, and new and unfilled orders	4,100 manufacturing companies and divisions	318,000 companies
Quarterly statistics on actual and planned expenditures on plant and equipment	15,000 companies	4.5 million companies
Annual statistics on expenditures for plant and equipment	60,000 companies	4.5 million companies

Data user	Use
Bureau of Economic Analysis	Prepare monthly index of leading economic indicators and quarterly estimates of GDP. Prepare annual revisions of GDP.
Council of Economic Advisers, Federal Reserve Board, and Department of Commerce and Treasury, Congressional Budget Office	Analyze economic conditions, forecast future trends, and determine current economic policy.
Census Bureau	Benchmark and reconcile monthly data on value of construction and quarterly data on expenditures for plant and equipment.
Private industry	Plan operations, and make investment and production decisions.

Special industrial characteristics. The annual surveys of Pollution Abatement Costs and Expenditures and the Plant and Equipment Pollution Abatement Expenditures surveys provide comprehensive estimates of capital expenditures and operating cost associated with pollution abatement activities by manufacturers and capital expenditures for selected nonmanufacturers' businesses. Because pollution abatement expenditures compete with productivity improvements for investment dollars, it is important to measure this cost component.

The Census Bureau collects separate data for capital expenditures and types of operating cost associated with the abatement of air and water pollutants and solid waste disposal for each manufacturing industry. Also, the survey includes data on payments to governments for pollution removal. State level data are published for major industry groups.

Program output	Sample size	Universe
Annual Survey of Pollution Abatement Costs and Expenditures	16,000 establishments with 20 or more employees (subsample of the Annual Survey of Manufactures)	369,000 manufacturing establishments
Plant and Equipment Pollution Abatement Expenditures Survey	500 companies (subsample of Plant and Equipment Expenditures Survey).	15,000 petroleum, mining, and electric utility companies

Data user	Use
Bureau of Economic Analysis	Prepare estimates of capital expenditures and current cost for pollution abatement for GDP accounts.
Environmental Protection Agency	Evaluate the effect of environmental legislative proposals and monitor regional environmental performance.
State and local governments and industrial organizations	Develop regional economic and environmental performance measures and forecasts.
Private industry	Formulate planning, investment and production decisions.

Exhibit 13

Department of Commerce
Bureau of the Census
Salaries and Expenses
DECREASE FOR FY 1994
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Current economic statistics

		1994 Base		1994 Estimate		(Decrease)	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Manufacturing statistics....	Pos./BA	272	$16,083	267	$15,693	(5)	($390)
	FTE/Obl.	291	16,083	286	15,693	(5)	(390)

M-Reports--Cotton fiber and soybean, cotton, and other fats and oils (-5 permanent positions, -5 FTE, and -$390,000). For 1994 the Census Bureau will reduce from monthly to quarterly the frequency of three census reports. These are the M22P, "Consumption on the Cotton System and Stocks," the M20J, "Fats and Oils-Oilseed Crushings," and the M20K, "Fats and Oils-Production, Consumption, and Stocks."

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Exhibit 14

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: M-Reports--cotton fiber and soybean, cotton, and other fats and oils

Title:	Grade	Number	Annual Salary	Total Salaries
Statistician	13	(1)	47,920	(47,920)
Statistician	12	(3)	40,298	(120,894)
Management analyst	11	(1)	37,623	(37,623)
Total		(5)		(206,437)
Total				
Personnel Data				
Full-Time Equivalent Employment:				
Full-time permanent		(5)		
Other than full-time permanent		0		
Total		(5)		
Authorized Positions:				
Full-time permanent		(5)		
Other than full-time permanent		0		
Total		(5)		

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: M-Reports--cotton fiber and soybean, cotton, and other fats and oils

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	($206)
11.3	Other than full-time permanent	(44)
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	(250)
12.1	Civilian personnel Benefits	(70)
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	(37)
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	(7)
24	Printing and reproduction	(11)
25	Other services	(1)
26	Supplies and materials	(3)
31	Equipment	(11)
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	(390)

General economic statistics

Standard statistical establishment list (SSEL). The SSEL includes the latest available information on name, mailing address, physical location, industrial classification, size classification, company affiliation and legal form of organization for all employer firms and their establishments in the United States. This program provides the single source for determining and assigning industrial classifications to establishments and companies. Also, it provides a common frame of reference for use in selecting statistical samples.

Preparation of the SSEL reflects the continued coverage of multiple establishment businesses based on the Company Organization Survey (COS). The program includes updating the industrial classification for businesses, incorporating the changes in the company organization and geographic codes on a periodic basis, and operating the updated file for statistical users of the system.

Also, the SSEL program includes efforts to determine the business universe by compilation of administrative records for single establishment companies. The Census Bureau purchases quarterly and annual payroll data and March 12 pay period employment data from the Internal Revenue Service. These data serve as a proxy for millions of small firms and excuse these firms from directly reporting to the Census Bureau.

Program output	Sample size	Universe
Standard Statistical Establishment List (Annual Company Organization Survey)........................	87,000 largest multi-establishment companies (1,000,000 establishments) and a rotating sample of smaller multi-establishment companies (100,000 establishments)	190,000 active companies (1.4 million establishments)

Data Users	Use
Economic censuses, Census of Agriculture, County Business Patterns (CBP), Annual Survey of Manufactures, and business surveys..................	Provide an updated universe file for census mailing lists and sample selection, benchmarking disclosure analysis, identification of business births and deaths, and other centralized control processes essential for supporting Census Bureau's statistical programs.

County business patterns (CBP). This program consolidates selected data from the SSEL to provide summary totals for the universe of business establishments at the 4-digit Standard Industrial Classification (SIC) level. The CBP program provides first quarter total employment; first quarter and annual payroll; total number of establishments; and number of establishments by employment size class for each county and state, District of Columbia, and Puerto Rico. These data are essential to verify independent statistical series, surveys and data bases during the intercensal years.

CBP is the only source of 4-digit Standard Industrial Classification detail at the county level for most economic activities. This detail provides an accurate accounting of the kinds of businesses located in a geographic area and enables comparisons across similar areas. The Census Bureau tabulates these data at the state and county levels in publication, microfiche, Compact Disk-Read Only Memory (CD-ROM), tape, or diskette format. Also, it is available through "CENDATA", which is a computer on-line data base.

Data users	Use
Congressional Budget Office; Bureau of Labor Statistics; Bureau of Economic Analysis; Small Business Administration; and state and local governments.........	Determine location and concentration of establishments and employment by industries and geographic areas; study changes in employment and payroll by industry and area, and provide small area statistics needed to administer Federal, state and local government programs.
Private businesses, market researchers, Academics, and industrial and civic planners.............................	Analyze market potential; determine size and locations of sales territories; establish sales quotas and advertising budgets; and locate production, marketing, and service facilities.

Industry and commodity classification. This program includes review and development of industry classification, report forms and coding procedures. This process assures that Census Bureau operations are complete, consistent and comparable with OMB and other agency standards. The program is represented on the Standard Industrial Classification Technical Committee, which coordinates industry classification with OMB and other government agencies. The program allows the Census Bureau to provide answers to inquiries and serve as a focal point for interpreting the various systems used by the general public. We prepare coding manuals and develop procedures for coding report forms which are problems in more than one Census area or do not belong in the area for which they were mailed.

The Industry and Commodity Classification program reviews and coordinates efforts to develop, maintain and revise production, export and import classifications. As a corollary to such activities, the program provides research on classification and coding problems, evaluation studies and continuing efforts to improve the classification system and coding methods. The Trade Act of 1974 recognized the importance of the resulting data relationships by mandating the development of an enumeration system which provides comparability among U.S. import, production and export data. The experience and expertise developed for this program provide the basic systematic knowledge and commodity correlations needed to meet the requirements for commodity comparability. This program is responsible for investigating methods for identifying new industries; identifying structural changes that occurred in establishment operations; and developing proposals and implementing changes to economic census questionnaires and other industry surveys that reflect structural changes in the establishment operations.

This program is responsible for coding new employer identification numbers which are assigned unclassified or inadequate Standard Industrial Classification (SIC) codes by the Social Security Administration (SSA). All new employer identification numbers and their associated Standard Industrial Classification codes, as assigned by the SSA, are incorporated into current Census Bureau programs, including the Standard Statistical Establishment List. Correction of these unclassified or inadequately classified business codes improve the quality of Census programs and the resulting economic data.

In addition, the Industry and Commodity Classification program issues an annual report, U.S. Commodity Exports and Imports as Related to Output, which compares U.S. exports of domestic merchandise, imports for consumption, and domestic output in terms of the Standard Industrial Classification. In relating export, import and production classifications, the program provides correlations among systems and data relationships which are not available from any other source.

As a joint effort with the Bureau of Labor Statistics, the Census Bureau also publishes a quarterly report, Trade and Employment, which compares imports, exports, and domestic employment in terms of the Standard Industrial Classification. The Census Bureau provides the programs necessary to generate the publications; Bureau of Labor Statistics supplies the related employment data. The Trade and Employment Program reflects changes in the volume of imports and exports; changes in employment within domestic industries producing similar articles or directly competitive with imports; and the extent of adverse effects on domestic employment caused by changing international trade patterns.

Data user	Use
Bureau of Labor Statistics, Bureau of Mines, Department of Agriculture, Bureau of Economic Analysis, International Trade Administration........	Analyze trends in the volume of imports and exports to determine the effects on U.S. domestic industries, production and employment.
Researchers in private sector and universities......	Provide research material to analyze the effects of international trade on U.S. domestic industries.

Economic studies. The Economic Studies program supports the Census Bureau's Center for Economic Studies' economic measurement activities which through analysis and research, enhances the quality of economic measures. The program assembles, maintains and extends the Longitudinal Research Database (LRD) and links it to other databases such as the National Science Foundation and Census Bureau's research and development surveys. Also, it maintains the Characteristics of Business Owners database (CBO). These, as well as other industrial data, are provided in forms conducive for analysis and research by economic policymakers and researchers throughout the government.

The Economic Studies program selects particular measurement issues based on their quantitative importance and susceptibility to resolution. Increased use of economic data in analytic and research work substantially increases the knowledge and limitations of the data, allowing the Census Bureau to improve economic measurements and analysis activities.

To accomplish the program objectives, the Census Bureau collaborates with outstanding researchers in joint initiatives using the LRD, CBO and other compilations of the Census data. Such initiatives improve the Bureau's processing procedures as well as the underlying conceptual basis of its economic data. These studies include analysis of the patterns and changes in economic structure, with particular reference to the relationship of the data reported to the information compiled in other surveys; linkage of corporate financial data with census establishment data; improvements in the techniques measuring and explaining the efficiency and competitiveness of U.S. business enterprises in the global economy; studies on the characteristics of business owners; and analysis of advanced technology trade.

Also, this program provides for the Census Bureau's participation in the development and operation of the National Trade data Bank (NTDB), which is required by the Omnibus Trade and Competitiveness Act of 1988 (Subtitle E, Part I). The NTDB is a single source of trade-related information available to the public and private sectors. Economic Affairs/Office of Business Analysis (OBA) serves as the data bank manager with advice of the Interagency Trade Data Advisory Committee (ITDAC) on the content, structure, and operation of the data bank. The Census Bureau assists Economic Affairs/OBA in the management of the NTDB, in the design and control of the electronic dissemination of the material, in the representation of the Department of Commerce on the ITDAC, in the coordination of the program, and provides data for the International Economic Data System (IEDS) component of the data bank.

The principal data distribution medium is the Compact Disk -- Read Only Memory (CD-ROM) -- which is a very efficient and inexpensive means to distribute data to the public. NTDB data is also available via magnetic tape. Direct on-line access to the data bank is not available to the public via Government computers; rather, distributors obtain NTDB information from the data bank in bulk form and are encouraged to make on-line access and value-added services available to their customers. These distributors include State development agencies, nonprofit organizations, Federal depository libraries, the National Technical Information Service, the Government Printing Office, private sector information vendors, and Department of Commerce Field Offices.

Quarterly Financial Report (QFR). This program collects and reports current information on corporate financial conditions. Based on an extensive sample survey, the Quarterly Financial Report is a principal economic indicator and also a component of other statistical indicators. The report presents key financial statistics including sales, profits, assets, liabilities, stockholders' equity, and related accounts and ratios. It provides industry and asset size data for small, medium, and large manufacturing corporations; and provides data for corporations with more than $50 million in assets in the wholesale, retail, and mining sectors.

Program output	Sample size	Universe
Quarterly Financial Report........................	About 10,000 corporations	About 1 million

Data user	Use
Bureau of Economic Analysis	Construct national income accounts.
Federal Reserve Board	Construct flow of funds accounts.
Small Business Administration	Analyze small manufacturing business sector.
Other public and private sector users	Analyze corporate profits and financial conditions by industry and asset size.

Department of Commerce
Bureau of the Census
Salaries and Expenses
INCREASE FOR FY 1994
(Dollar amounts in thousands)

Exhibit 13

	1994 Base		1994 Estimate		Increase	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
General economic statistics.......Pos./BA	184	$12,000	201	$13,377	17	$1,377
FTE/Obl.	212	12,000	225	13,377	13	1,377

Provide Annual Statistics on Minority and Women-Owned Businesses (17 permanent positions, 13 FTE, $1,377,000). Concerns are growing regarding proper measurement of the impact of minority and women-owned businesses on the economy. While business formations by these entrepreneurs are outpacing those of their non-minority male counterparts, information on the subsequent performance of these firms is not broad or timely enough for many purposes. The current program conducted by the Bureau every five years, as part of the quinquennial economic census, is based primarily on administrative record information from IRS and SSA, and includes for 1992, a mail sample survey of all partnerships and subchapter S corporations and of non-Black minority owned sole proprietorships. While the data are acceptably accurate, they are too infrequent and not timely enough to provide policy makers, small and minority business assistance programs, and the women and minority business communities information needed to adapt to economic changes. The proposed annual program will expand the use of administrative record data through annual procurement of the data, and provide linkages across years, limit the annual mail portion of the program to a sample of new businesses, resulting in more frequent and more timely time series information on this growing segment of the economy.

Plan	Benefits
Obtain administrative record data annually from IRS and SSA on business owners, their race, ethnicity, type of business, receipts, employees, location and legal form of organization.	Initiate ongoing contract with these agencies to allow them to assign permanent staff to this program, improve the data, eliminate lengthy contract negotiations every five years.
Improve our surname parameter file for imputing race/ethnicity identification for companies filing for SSNs prior to 1981 when the race inquiry was expanded; developing a first name file to further enhance the proper identification of minorities, add minority geographic distribution probabilities to surname file.	A redesigned sampling methodology using the additional information should provide for a less dense sample rate while providing more accurate survey estimates.

Plan (cont'd)	Benefits (cont'd)
Develop a small business database which identifies minority and women-owned businesses, whose history is linked over time.	Database will be used for specialized and/or reimbursable tabulations, extracting sampling frames for small onetime surveys, and tracking characteristics associated with business growth and failures to enable policy makers to enact timely program changes.

The interest and growing need for information on minority and women-owned businesses demands construction of a listing of such firms which can serve multiple purposes. Such a database will be developed primarily from administrative record data which would result in identification and measurement of the impact of small businesses by race, ethnicity and gender of the owner. To better identify Hispanics and Asian-owned businesses, this will include genealogy research for the refinement and expansion of an ethnic/race surname file and development of a first name file.

The principal product of this effort will be annual data by gender, race, and ethnicity which will provide snapshots of the current status of such businesses and their owners. As the data set expands, coincident stimuli affecting growth factors, business formations, and shutdowns can be studied and evaluated. This more accurate identification of minorities also provides a valid and more timely sampling frame for additional Bureau surveys, such as the Characteristics of Business Owners (CBO). The CBO program, which is conducted every five years, is unique in that it matches demographic variables, such as age, marital status, and educational background; and financial attributes, such as equity and source of capital; with small business owners. These survey results also lack timeliness and would profit from approval of this proposal.

Computer programmer staff will be trained and computing capacity enhanced to better handle the massive data files and to ensure the security measures mandated by all three agencies are in place and maintained. Provisions will be made in all phases of the Census Bureau resource assignments to facilitate special studies, time series and cross-sectional data analysis.

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Exhibit 14

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Annual Minority and Women Owned Business Program

Title:		Grade	Number	Annual Salary	Total Salaries
Survey statistician		13	1	$47,920	$47,920
Mathematical statistician		13	1	47,920	47,920
Statistician		12	1	40,298	40,298
Mathematical statistician		12	1	40,298	40,298
Programmer		12	1	40,298	40,298
Statistician		11	2	33,623	67,246
Program analyst		11	1	33,623	33,623
Programmer		9	1	27,789	27,789
Statistician		9	2	27,789	55,578
Program analyst		9	1	27,789	27,789
Mathematical statistician		7	1	26,502	26,502
Statistician		7	1	22,717	22,717
Statistical assistant		7	1	22,717	22,717
Program analyst		7	1	22,717	22,717
Clerk typist		4	1	18,577	18,577
Total			17		541,989
Less lapse	25.00%		(4)		(135,497)
Total full-time permanent (FTE)			13		406,492
Total					
Personnel Data					
Full-Time Equivalent Employment:					
Full-time permanent			13		
Other than full-time permanent			0		
Total			13		
Authorized Positions:					
Full-time permanent			17		
Other than full-time permanent			0		
Total			17		

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Annual Minority and Women Owned Business Program

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$406
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	406
12.1	Civilian personnel Benefits	118
13	Benefits for former personnel	0
21	Travel and transportation of persons	4
22	Transportation of things	0
23.1	Rental payments to GSA	55
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	5
24	Printing and reproduction	2
25	Other services	640
26	Supplies and materials	2
31	Equipment	145
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	1,377

Foreign trade statistics

Import statistics. This program compiles monthly foreign trade statistics from information filed with the U.S. Customs Service. Import statistics are compiled for shipments valued over $1,250 except for selected commodities valued over $250. Data for shipments valued under $1,251 (under $251 where applicable) are developed for individual countries through a statistical estimating procedure. The monthly and cumulative year-to-date statistics summarize merchandise imports in terms of the commodity classifications of the Harmonized Tariff Schedules of the United States Annotated (HTSUSA), by country of origin and by customs district of entry. Additional reports interrelate data covering major commodities and groupings in terms of the Standard International Trade Classification (SITC), Standard Industrial Classification (SIC), end-use codes, and coverage by geographic and political areas. The program produces a series of monthly and annual reports, reference tabulations, publications and automated medium covering government and private-sector imports of merchandise into the United States, Puerto Rico and the Virgin Islands for immediate consumption as well as into (and withdrawals from) Customs-bonded warehouses and foreign trade zones. The series show quantity (where applicable), Customs value and for selected reports, Customs Insurance Freight (CIF) value (i.e. valuation which includes the cost of merchandise based on Customs value, plus insurance and freight charges). The customs value represents the value of imports as appraised by the U.S. Customs Service in accordance with the legal requirements of the Tariff Act of 1930, as amended, most recently under the Trade Agreements Act of 1979. Separate aggregations show movement by method of transportation (vessel, air, other) and provide data on U.S. port of unloading, foreign port of loading, country of origin, type of vessel service and flag of vessel.

In compliance with the Omnibus Trade and Competitiveness Act of 1988 (Trade Act of 1988), the Census Bureau publishes the official import statistics in terms of classifications based on the Harmonized Commodity Description and Coding System. In addition, in accordance with the Trade Act of 1988, the Census Bureau publishes seasonally adjusted merchandise trade data on a constant dollar basis. Also, this program provides statistical reports required by the Committee for Implementation of Textile Agreements for monitoring textile imports from all countries which have bilateral textile agreements with the United States.

Trade legislation requires compilation of information on imports under the Generalized System of Preferences (GSP), the Caribbean Basin Initiative (CBI) and the Canadian Free Trade Agreement as well as special provisions for handling imports from developing countries.

Program output	Sample size	Universe
Monthly and annual import trade statistics.........	All transactions over $1,250 (over $250 where applicable)	1,200,000 per month

Data user	Use
Bureau of Economic Analysis, Council of Economic Advisers, Federal Reserve Board, and Department of Treasury..	Develop the import components of the merchandise trade figures for the balance of payments and GDP accounts.

Data user (cont'd)	Use (cont'd)
U.S. Trade Representative........................	Negotiate and measure the effect of tariff and trade concessions under the General Agreement on Tariffs and Trade (GATT).
Department of Commerce...........................	Implement and monitor international agreements such as the United States/Canadian Free Trade Agreement as well as bilateral agreements on quotas for textiles, steel, meat, footwear and television sets.
U.S. International Trade Commission...............	Measure the effect of U.S. tariffs on import levels. Measure effects of import trade on the U.S. market and domestic industry.
Private sector....................................	Analyze product and market development, share-of-the market, and market penetration.
Government and non-government transport industry...	Vessel and air data to measure market share, competitive status, plan promotional activities, and need for additional new types of facilities.

Export statistics. This program compiles monthly export statistics from export documents collected by the U.S. Customs Service and from information provided directly to the Census Bureau by exporters and freight forwarders. The program also includes automated data on U.S. exports provided by Canada under a program of data exchange between U.S. and Canadian agencies. This information covers all shipments individually valued over $2,500 for all countries; however, the Census Bureau estimates data for shipments valued under $2,501 for individual countries. The monthly and cumulative year-to-date statistics summarize merchandise exports in terms of the commodity classifications of Schedule B, by country of destination and by U.S. Customs district of exportation. Other reports show and interrelate data covering major commodities and groupings in terms of the Standard International Trade Classification (SITC), Standard Industrial Classification (SIC) and end-use codes, and coverage by geographic and political areas. Data items include movement of exports by vessel and air with information on value, quantity and shipping weight, U.S. port of loading, foreign port of unloading, commodity, country of destination, type of vessel service, and flag of vessel. In compliance with the Omnibus Trade and Competitiveness Act of 1988 (Trade Act of 1988), the Census Bureau publishes the official export statistics in terms of classifications based on the Harmonized Commodity Description and Coding System. In addition, in accordance with the Trade Act of 1988, the Census Bureau publishes seasonally adjusted merchandise trade data on a constant dollar basis.

The export statistics include nongovernmental shipments to foreign countries, including shipments from Foreign Trade Zones, as well as government shipments (i.e., Department of Defense Military Assistance Program, Grant-Aid shipments, economic assistance shipments, and shipments of agricultural commodities under P.L. 83-480).

The export statistics addressed in this section and the import statistics addressed above provide the basis for deriving the official U.S. monthly and annual merchandise trade balance (exports minus imports equals trade surplus or deficit).

Program output	Sample size	Universe
Monthly and annual export trade statistics.........	All transactions over $2,500 per month	1,000,000

Data user	Use
Bureau of Economic Analysis, Council of Economic Advisers, Federal Reserve Board, and Department of Treasury....................................	Develop the export component of merchandise trade figures for the balance of payments and GDP accounts.
Department of Agriculture........................	Monitor, evaluate and plan agricultural development programs and quotas.
Department of Commerce...........................	Implement and monitor international agreements such as the United States/Canadian Free Trade Agreement; promote export growth through the export promotion program.
U.S. Trade Representative........................	Conduct trade negotiations under the GATT.
Bureau of Labor Statistics.......................	Sampling for export price indexes.
Congress...	Monitor agency programs relevant to export expansion, quotas and controls.
Government and non-government transport industry...	Vessel and air data to measure market share, competitive status, plan promotional activities, need for new facilities, etc.
Private sector...................................	Employ the data in share-of-the-market analyses and market penetration studies; determine marketing policies and strategies.

Trade Monitoring. This program covers the Census Bureau responsibilities under the Trade Act of 1974, particularly Section 608 (Uniform Statistical Data on Imports, Exports and Production), Title V (Generalized System of Preferences) and Section 282 (Trade Monitoring System). Section 608 provides data on imports, exports and domestic production on a comparable basis. The commodity classification systems are revised on a regular basis, modified to reflect changing statistical needs and to improve comparability of trade and domestic production data as well as the comparison of trade data between the United States and other countries.

Title V of the Trade Act of 1974 requires data to monitor imports from designated countries and to evaluate the economic effect of the Generalized System of Preferences (GSP). The latter provides duty-free access to the U.S. market by developing countries. The compilation of GSP import data provides the means for analyzing the effectiveness of the Trade Act to promote exports and economic development in beneficiary countries. The data also provide the basis for changes in eligibility whenever GSP imports from a beneficiary country trigger the need for competitive limitations.

Section 282 of the Trade Act of 1974 requires data to monitor the relationship between imports and U.S. employment, and production by geographic region, assisting in the identification of areas affected by imported articles.

Section 608 of the Trade Act of 1974 requires the publication of Current Industrial Reports to enhance the comparability of imports, exports, and domestic production statistics. This requires continuous revisions of the import, export and output classification systems to promote comparability with the new international Harmonized System. Import and export computer programs are revamped to accommodate the creation of over 20 million computer records annually. Processing procedures and programs are revised to handle the anticipated increase in defective documents.

Government statistics

Survey of government finance operations. This survey provides statistics on the diverse aspects of state and local government financial activity. There are three parts to the survey: an annual survey on the entire range of governmental revenue, expenditure, indebtedness and assets information; a quarterly survey on Federal, state and local government tax revenues; and a quarterly survey on the finances of selected public employee retirement systems.

Annual financial statistics serve as updates of census year benchmark statistics. The revenue data include detailed tax and intergovernmental revenue information such as: tax data by the major categories of property, sales, income, licenses and permits; and intergovernmental receipts according to source of funds--Federal, state or local governments--and by the major purpose served (education, public welfare, health and hospitals, streets and highways, housing and community development, property tax relief programs and general support).

In addition to the detailed tax and intergovernmental revenue data, the statistics include data on: revenue by source, such as charges for specific services, assessments, fines and interest earnings among others; expenditure by function (or activity) and object (current operation, capital outlay and cash assistance, for example); indebtedness and debt transactions; and financial assets.

These state and local government financial statistics provide the basis for many benchmarks and analyses. The Bureau of Economic Analysis estimates the state and local sector of the annual Gross Domestic Products (GDP) accounts--about 11 percent of the total--from this information. The tax and intergovernmental revenue data base provides information to prepare analyses of fiscal policy, tax burdens and comparative studies on governmental finance. The detail by types of local government provides information on the relative activity of counties, municipalities, townships, special districts and school districts.

The Census Bureau publishes financial data on a fiscal year basis in the form of nationwide totals by level and type of government (including the Federal Government), and related state-by-state area aggregations subdivided into state government and type of local government (counties, municipalities, townships, special districts and school districts). The publications provide individual government statistics for states, county governments of 100,000 population or more, municipalities of 75,000 population or more, and school systems with enrollments of 15,000 or more.

Also, detailed data are available on computer tape in two formats: a summary by state, level and type of government; and a computer tape with every individual government data record. All records in the computer tape file contain all the detail available from the processing cycle in a disaggregated format.

The Census Bureau obtains these data in three ways: from a direct mail canvass; through a compilation by trained Census Bureau staff from reports provided by the largest governments; and through cooperative collection arrangements with state agencies which oversee, monitor, or report on the financial operations of local governments in their states. Agreements exist between 36 states and the Census Bureau whereby the states conduct the initial survey and transmit the results to the Census Bureau. The states depend upon the Census Bureau's technical and professional support for assistance in these surveys.

Program output	Sample size	Universe
Annual and quarterly government finance publications on Federal, state, and local governments	50 state governments and 22,000 local government units	83,200 government units

Data user	Use
Public officials; public interest groups; academic, financial, and business communities	Economic research and appraisals of government activities.
Advisory Commission on Intergovernmental Relations	Develop recommendations regarding the financing of state and local governments and their relationship with the Federal Government.
Bureau of Economic Analysis	Update the annual government sector estimates of the GDP.
Federal Reserve Board	Develop data for the flow of funds reports and analysis of economic conditions.
Market analysts	General measure of asset holdings and credit ratings for state and local governments.

Survey of government employment. This program provides the annual update of government employment and payroll data by type of government and function. These data provide the basic measures of public sector employment and payrolls for intercensal years. Basic data elements (variables) includes full-time employees, part-time employees, full-time equivalent employment, full-time employee gross pay, part-time employee gross pay, and full-time employee average earnings for the month of October. Survey results provide National estimates of each variable by type of government (Federal, State, county, municipal, township, school district and special district) and government function (e.g., education, police protection, public welfare, etc.) as well as State-by-State estimates of State and local government variables by type of government and function. The survey is the only intercensal source of public employment and pay data at this level of detail.

Program output	Sample size	Universe
Annual employment publications (3 reports)	50 state governments and 22,000 local government units	83,200 government units

Data user	Use
Bureau of Labor Statistics	Annual benchmark adjustments in its monthly statistical series on employment and earnings.

Data user (cont'd)	Use (cont'd)
Department of Housing and Urban Development..........	Develop a public wage inflation factor for the allocation of their operational subsidy grants to local housing authorities.
Government legislators and administrators............	Comparative data on a state area, substate area and/or individual government basis for decision-making and administrative purposes.
Bureau of Economic Analysis.........................	Develop GDP statistics, GDP deflator indexes, national income and product accounts, and regional economic analyses.
Department of Agriculture..........................	Allocate administrative funds to states participating in the Special Supplemental Food Program for Women, Infants and Children.
Tax foundations and citizen interest groups.........	Monitor and analyze the efficiency of the public sector.

Formula grant data. Major products include the identification and classification of governmental entities, measurement of local government revenues, preparation of detailed computer data tapes, and verification of data elements used for fund distribution.

Program output	Universe
Classification of all governments by types. Identification of revenues by types and data element tapes for public use........................	All 83,200 government units.

Data user	Use
Federal agencies, Congress, and state governments.....	Administer aid distribution formulas and measure governmental fiscal capacity.

Federal financial statistics. The Federal Assistance Award Data Systems (FAADS) serves as the central source of information in the United States on all Federal domestic financial assistance programs. Information on each award includes the assistance program and amount funded, the Federal agency responsible for the program, type and name of recipient, and geographic location of the recipient (including the congressional district). The Census Bureau collects quarterly data in a standard, machine-readable format directly from Federal agencies administering the assistance programs. The FAADS program is required by Title 31, Section 6102 (a) of the U.S. Code.

The Consolidated Federal Funds Report (CFFR) provides statistics on Federal Government expenditures or obligations in each state and territory, county and municipality. Coverage of the CFFR includes Federal salaries and wages, procurement, grants and direct payments for individuals, as well as Federal insurance and loan programs. The Census Bureau issues a series of three annual publications, each covering different levels of geographic detail (state, county and subcounty). The Office of Management and Budget has selected the Census Bureau to be data collection agent for the CFFR. The CFFR is the only central source of information on the geographic distribution of virtually all Federal spending.

Program output	Universe
Federal Assistance Award Data System (FAADS)	All Federal financial assistance awards listed in the Catalog of Federal Domestic Assistance (about 750 programs). Includes grants, loans, insurance and direct payments.

Program output	Universe
Consolidated Federal Funds Report (CFFR)	82 percent of Federal budget outlays. Excluded outlays are principally interest on Federal debt and international transactions, i.e., outlays not allocated among the states.

Data user	Use
Congress	Provide data on Federal Government role by state/district, program or spending category.
State governments	Notification of Federal grant awards in conjunction with Executive Order 12372.
Office of Management and Budget (OMB)	Meet requirements of 31 U.S. Code 6102(a), which requires OMB to maintain a grant award information system. Outlays not allocated among the states.

Department of Commerce
Bureau of the Census
Salaries and Expenses
INCREASE FOR FY 1994
(Dollar amounts in thousands)

Exhibit 13

Activity: Current surveys and statistics
Subactivity: Current economic statistics

		1994 Base		1994 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Government Statistics......	Pos./BA	106	$5,723	126	$6,323	20	$600
	FTE/Obl.	106	5,723	121	6,323	15	600

Single Audit/Non Profit Survey (20 permanent positions, 15 FTE, and $600,000). The Single Audit Act of 1984 and OMB Circular A133 require each government and nonprofit organization that receives $100,000 or more in Federal assistance in a given year to have a comprehensive audit of all its operations. These entities are also required to submit a copy of each annual audit to the Federal Audit Clearinghouse. This initiative consolidates the funding for the Federal Audit Clearinghouse, which is operated by the Census Bureau as the Executive Agent for the Office of Management and Budget (OMB), and provides for the collection, review, and analysis of audit reports of local governments and nonprofit organizations.

This program includes conducting mail and telephone contact with local governments and nonprofit organizations to determine those subject to the requirements of the Single Audit Act, conducting a statistical analysis of the audits submitted, reporting on their compliance with the Act to the OMB and the Congress, and establishing and maintaining a database for access by the Congress, OMB, the inspectors General Offices of Federal agencies, and the General Accounting Office.

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Exhibit 14

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Single audit/nonprofit survey

Title:		Grade	Number	Annual Salary	Total Salaries
Social science analyst		13	1	$47,920	$47,920
Statistician		12	1	40,298	40,298
Senior public financial specialist		12	1	40,298	40,298
Programmer		12	1	40,298	40,298
Programmer		11	1	33,623	33,623
Program analyst		11	1	33,623	33,623
Management analyst		9	1	27,789	27,789
Program analyst		9	2	27,789	55,578
Library technician		8	1	25,159	25,159
Library technician		7	1	22,717	22,717
Programmer		7	1	22,717	22,717
Clerk		6	4	20,443	81,772
Clerk		5	3	18,340	55,020
Statistical assistant		5	1	18,340	18,340
Total			20		545,152
Less lapse	25.00%		(5)		(136,288)
Total full-time permanent			15		408,864
Total					

Personnel Data

Full-Time Equivalent Employment:	
Full-time permanent	15
Other than full-time permanent	0
Total	15
Authorized Positions:	
Full-time permanent	20
Other than full-time permanent	0
Total	20

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Current surveys and statistics
Subactivity: Current economic statistics
Program Change: Single audit/nonprofit survey

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$409
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	409
12.1	Civilian personnel Benefits	119
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	63
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	0
25	Other services	0
26	Supplies and materials	3
31	Equipment	6
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	600

Exhibit 10

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Current demographic statistics

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Household surveys	Pos./BA	542	$41,574	535	$41,877	609	$45,154	609	$45,154	0	0
	FTE/Oblig.	904	41,451	875		1,011		1,011		0	
Population and housing analyses	Pos./BA	112	4,594	110	4,987	120	5,183	120	5,183	0	0
	FTE/Oblig.	91	4,650	87		97		97		0	
Total	Pos./BA	654	46,168	645	46,864	729	50,337	729	50,337	0	0
	FTE/Oblig.	995	46,101	962		1,108		1,108		0	

Department of Commerce
Bureau of the Census
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Exhibit 12

Activity: Current surveys and statistics
Subactivity: Current demographic statistics

Goal Statement

The goal of the Current Demographic Statistics program is to ensure that the content, operations, and products of our household surveys and analyses continue to provide policymakers and program managers with socioeconomic, demographic and housing information that is timely, accurate, cost effective, and completely relevant to Federal public policy needs for domestic and international information.

Objectives:

The objectives of the Current Demographic Statistics program, which provides a broad range of official statistics, include: steady improvement of data collection and processing systems by the cost-effective introduction of advanced technology, new methods, and improved scientific statistical techniques; enhancement of the quality, relevance and timeliness of our reports and projections on the social, economic and demographic characteristics of the Nation's people with special attention to topics (e.g. poverty) and groups (e.g. children) that are focal points for Federal programs; sustaining accurate measurements of the composition and use rates of the Nation's housing stock as well as monitoring and reporting homeownership trends; and providing up-to-date international estimates and projections of population and related trends as well as providing training and technical assistance on statistical programs to other nations and to international organizations.

Base Program

Household surveys

Current population survey. The Census Bureau shares funding of the Current Population Survey program (CPS) with the Bureau of Labor Statistics. The survey provides the official government estimates of employment, unemployment and related data on the characteristics of the labor force and persons not currently in the labor force. The Census Bureau funding supports the monthly collection of demographic data and the supplemental inquiries on income and education as well as the managerial responsibilities for the technical operations of the survey, including quality control maintenance.

In addition to the estimates related to the labor force, the Current Population Survey--along with the Survey of Income and Program Participation (SIPP)--provides a major intercensal source of information on general socioeconomic characteristics of the U.S. population. For example, in March of each year, the

CPS serves as the vehicle for a major supplemental inquiry which produces the official estimates of personal and family income, number and type of families, and the number of families and persons living in poverty. This supplement also produces data showing migration trends between regions of the country, and metropolitan/non-metropolitan residences. The CPS also collects information on school enrollment, educational attainment, future birth expectations, and changes in the number of families and their composition. The Census Bureau obtains these data by adding supplemental questions to the survey at various times throughout the year and tabulates them by age, race, sex, Spanish origin, veteran status, and other demographic variables. Also, through supplemental inquiries, the CPS serves as the vehicle for collecting a wide range of data requested and paid by other Federal agencies.

The basic demographic data collected in the CPS are used in three principal ways: (1) internal analytical research; (2) evaluation of other survey results; and (3) use in association with data such as the monthly labor force or supplement publications. The data set which results from combining the monthly labor force data with the demographic data provides the ability to understand labor force patterns of many subpopulation groups.

The Census Bureau obtains monthly estimates which meet the Bureau of Labor Statistics standards of reliability for the country as a whole, the 11 largest states, the Los Angeles MSA, and New York City. The Census Bureau also produces annual estimates meeting specified reliability requirements for the 39 remaining states, District of Columbia, 30 large metropolitan statistical areas and 11 of their central cities. These data are among the most important U.S. indicators measuring the status and progression of the national economy on a current basis. Consequently, these indicators are key inputs to the decision-making process for national economic policy and the evaluations, forming the basis for the discontinuance, modification or creation of national economic programs. Sub-national data from the CPS are the basis for the distribution of Federal funding allocated each year to areas based on unemployment levels and rates.

During FY 1994, we will complete the work started in FY 1991 to completely redesign and reprogram the monthly CPS production processing system, and will continue the work to enhance the user interface module of the system. This modernization will utilize up-to-date software techniques and hardware, and will produce a system that is fully integrated from data collection through final data formats. The new system will be more efficient and will yield data products that are compatible with current technology and in formats responsive to analyses.

Program outputs	Sample size	Universe
Monthly and annual average tabulations of employment and unemployment data crossed by demographic characteristics..................	57,000 interviewed households per month	Approximately 93 million households
Annual report on income, poverty, fertility, migration, family status, school enrollment, educational attainments and other topics.....	57,000 interviewed households per month	Approximately 93 million households

Data user	Use
Bureau of Labor Statistics......................	Analyses and releases of official employment and unemployment in its monthly publication, "Employment and Earnings."
Council of Economic Advisers, Federal Reserve Board, Congress, Federal agencies, universities, and private organizations......................	Analyze the status of U.S. economy and formulate/evaluate economic policy.

Methods development survey. This program provides a means to test and develop alternative survey methodologies and concepts needed to improve the quality and reliability of demographic surveys. Improvements derived from this program are applicable to the Current Population Survey (CPS), Survey of Income and Program Participation (SIPP) and other demographic surveys of national importance, including those providing statistical measures of crime, housing, health, consumer income and expenditures. Any enhancements to the Methods Development Survey will affect Federal programs which provide the statistics for funding allocations to state and local areas.

This program investigates all facets of survey operations, i.e., interviewing methods, response bias, quality control procedures and questionnaire design. The kinds of methodologies tested in the first phase of this program included telephone versus personal interviews, response differences between household members, and interviewer conditioning. Having completed the testing of these different data collection procedures, the Census Bureau issued reports on the effect of these procedures. The earlier phases of the testing focused on the content recommendations made by the National Commission of Employment and Unemployment Statistics (NCEUS) for the CPS. Several of these recommendations have been incorporated into the CPS. During FY 1988 and 1989, the Census Bureau completed the evaluation of Computer Assisted Telephone Interviewing (CATI) in the Current Population Survey and began introducing this data collection methodology into production use for this survey.

During FY 1990 and FY 1991, the Census Bureau turned its attention to Computer Assisted Personal Interviewing (CAPI). This work focused on the Current Population Survey and the Survey of Income and Program Participation, and involved determining how interviewers and respondents react to the use of portable computers in the interview situation. Part of this evaluation also involved the testing of several styles of portable computers to determine which best meet the demands of our surveys. In FY 1992, we explored further the use of CAPI for the collection of administrative data, a function of several of the surveys we conduct; extending our evaluation of the feasibility of CAPI for additional household surveys; and undertaking improvements to the authoring language used for CATI and CAPI in order to increase its efficiency.

In FY 1993, we began exploring the statistical, operational, and administrative issues identified in conjunction with the CPS overlap sample, which began in July 1992 and continues through December 1993. This is the first large scale survey conducted on an ongoing basis using a fully integrated CATI/CAPI collection methodology. We identified and attempted to explain statistical differences that may occur between CATI collected data versus those collected via CAPI. We addressed operational concerns including effective communications between field staff, a central database, and later stages of data processing. We developed administrative procedures such as revising current interviewer performance statistics for a CATI/CAPI environment. Research in these areas will have applicability for all household surveys using or projected to use CATI/CAPI.

In FY 1994, we will continue our evaluation of a fully integrated and automated data collection methodology. In addition, we will evaluate different methods/approaches to improve our survey processes. These methods will cover a broad range of survey improvement applications such as data collection via touchtone data entry/voice recognition; generalized data editing systems; survey development and processing using a team concept approach; and a centralized database for survey development, processing and documentation. These survey improvement activities will have applicability to many of our household surveys.

Program outputs	Sample size	Universe
Census Bureau internal evaluation files and reports............................	Variable; average 1,000 households per month	Approximately 93 million households

Data user	Use
Census Bureau.................................	Development and evaluation of more accurate and efficient survey methodologies.

Survey of Income and Program Participation. This survey is designed to satisfy the need for improved data on the economic situation of persons and families in the United States. Information covers sources of money and non-money income, taxes, and assets and liabilities to produce improved estimates of income distribution, poverty, and wealth. The survey provides data to study the efficiency of Federal and state transfer and service programs; to estimate future program costs and coverage; and to assess the effects of welfare, tax, Social Security reform proposals, and other proposed policy changes.

After a series of budget reductions in the 1980's, we began a sample restoration process in 1991 to return the program to its intended design. The 1991 Panel contains 14,000 households which were interviewed eight times and overlaps the 1990 Panel for 1 2/3 years. The 1992 and 1993 Panels each include 20,000 households that will be interviewed at four month intervals over a three-year period. These panels produce longitudinal data such as intra-year transitions into and out of poverty, and the characteristics of persons and families who become eligible for government assistance programs or those who no longer are eligible due to changing economic circumstances. The reliability of these longitudinal estimates improved by 20 percent over the smaller panels fielded earlier.

Further design changes will improve the reliability of estimates for special populations such as those in or near poverty; provide more complete information about the length of time units receive benefits from Federal transfer programs such as Aid to Families with Dependent Children; improve data quality with a conversion to computer-assisted data collection; and provide easier user access to survey data. In order to make these changes budget neutral, newly introduced panels will be interviewed over a longer time period and replacement panels will not begin until the previous panel ends.

Fiscal Year 1994 activities include supporting the continuing redesign activities as well as conducting interviews for three waves of the 1992 and 1993 Panels; computer editing and reformatting data from the 1992 and 1993 panels for analytical purposes; continuing project management and planning; data analysis; preparing data products, including published reports and public use microdata files; research on data quality improvements and coordination with Federal agencies to ensure that the survey content is properly focused.

Program outputs	Sample size	Universe
Publications (i.e., sets of periodic or single-term reports).............	20,000 interviewed households from the 1992 and 1993 Panels	Approximately 93 million households
Microdata public use files on computer tapes (Cross-sectional analysis files for each interview wave of each panel and a longitudinal file covering all waves in a panel) and direct access to public use files through the SIPP-On-Call program.............	20,000 interviewed households from the 1992 and 1993 Panels	Approximately 93 million households

Data user	Use
Congressional Budget Office and Congressional Research Service...............	To study the low income population, elderly population and health insurance coverage.
Department of Agriculture....................	To analyze the Food Stamp and School Lunch programs, including the effects of assets on food stamp eligibility.
Department of Labor..........................	To study market-related hardship measures and changec in the labor force and dependency status through time.
Social Security Administration...............	To study social security beneficiaries by reason for benefits, levels of income, and demographic/economic characteristics such as assets holdings and pension coverage.
National Center for Health Services Research..	To examine the characteristics of the Medicare elderly who also have private health insurance.

Data user (cont'd)	Use (cont'd)
Small Business Administration.................	To study labor mobility by size of firm.
Office of Child Support Enforcement...........	To determine the amounts of savings which can be realized if child support were included in the income test for AFDC, food stamps and Medicaid.
Academic researchers..........................	To examine changes in family and household structure which occur over short periods of time and last for short durations. To research changes in school enrollment, geographic mobility, labor force participation, and marital status.

Population and Housing Analyses

Population characteristics. Reports based on information from the Current Population Survey (CPS), the Survey of Income and Program Participation (SIPP), and other surveys provide the data essential for planning and evaluating public and private programs. These reports include special analyses and current statistics on a wide range of topical concerns. The Census Bureau presents data on race, age, sex, Hispanic origin, household, family and personal income (both money and non-money), employment and unemployment, occupation and industry, marital status, fertility, childcare arrangements and costs, family and household living arrangements, educational attainment, characteristics of students and dropouts, voting, migration and residence (metropolitan and nonmetropolitan, urban and rural).

The reports for these subject-matter areas provide cross-classifications of characteristics for analytical purposes, and special analytical studies to profile the changes in American social and economic life.

In addition to the recurring reports, the Census Bureau recently published special studies on American families, non-cash benefits, extended measures of well-being, child support and alimony, trends in childspacing, selected characteristics of travel to work in metropolitan areas, characteristics of the older population, geographic mobility of Americans, value of education, computer use, money income and poverty status of families and persons, household money income, household income after taxes, support for nonhousehold members, childcare, disability and health insurance coverage, immigration to the United States, and household formation and dissolution.

The Census Bureau will continue work on statistical tables and analytical texts for publication in the Current Population Reports (CPR). These reports describe relevant demographic, economic and social characteristics of the U.S. population and are usually published annually. Also, the Census Bureau will continue to collect and publish nationwide data projecting the number of persons of voting age, voter registration and participation for congressional election and presidential election years.

Data user	Use
Department of Justice, Housing and Urban Development, Agriculture, Health and Human Services, Education, Labor, Transportation, Department of Veterans Affairs, U.S. Civil Rights Commission, Federal Elections Commission, libraries, state and local governments, business and academic researchers, and the general public...........	Determine the basic conditions of resources; measure changes in the demographic, and social situation; understand the current national situation in relation to income, education, language proficiency, childcare, racial and ethnic groups, the aged and other areas.

Population estimates and projections. Reports provide regular estimates of the U.S. population by age, sex, race and Hispanic origin; population of states and counties by age, sex and race; and total population for subcounty areas. Analytical reports describe trends in population distribution and their components of population change. These estimates provide control totals for weighting sample surveys; denominators for Federal time series; and population levels for fund allocations.

The Census Bureau prepares projections on population and households for future years for the United States and the states by age, race, sex, and Hispanic orgin. The following data sources are used to prepare these estimates and projections: census population details, births, deaths, immigration, school enrollment, housing statistics, social security data, medicare data, Internal Revenue Service data, immigration-emigration data, and special supplements to the CPS.

In addition, the Census Bureau provides assistance in the interpretation and use of estimates and projections. We work with state agencies under the Federal-State Cooperative Programs for population estimates and for population projections to prepare (a) the county estimates by using standard procedures which ensure consistency with the state and national estimates, and (b) appropriate projection techniques.

Data user	Use
Federal, state and local governments, media, business and academic researchers, and the general public......	Determine the distribution of Federal program funds on the basis of population; provide population data for program administration and planning purposes; identify changes in population size and distribution; provide survey controls and denominator for Federal time series.

Demographic and Housing Analyses. This program develops data files and prepares and publishes analyses of the relationship of demographic trends, housing patterns, and socioeconomic changes in order to foster greater understanding and more effective use of recurring national surveys (e.g., the American Housing Survey, the Current Population Survey, and the Survey of Income and Program Participation). Publications, data files, and other results are made available to the general public, government agencies, policy makers at many levels of government, and the business and academic communities.

During FY 1994, we will prepare analyses of changes in the size and composition of central-city populations and their housing conditions; how cities have been affected by the movement of Black and White families to suburbs; population movements and the expansion and contraction of low-income and high-income neighborhoods in selected large cities; longitudinal changes of households; how demographic events like marriage and divorce affect the well-being of children, families, and households; and an analysis of how population distribution has changed in the 100 years since the 1890 census was used to declare the end of the American frontier.

Data user	Use
Cabinet-level departments, Congressional committees, state and local officials, researchers, librarians, and the general public................................	Identify program-relevant changes in city populations, households, families, and subpopulations of special interest.

Foreign research and analysis. This program provides economic, social and demographic information on the Newly Independent States (former USSR), China, and East European countries; however, it does not provide training and assistance to these countries. Major data series produced under this program include macroeconomic measures, national and financial accounts, population estimates and projections, labor force, and health indicators. The program emphasizes expert knowledge of the statistical systems and methods used in these countries. The program supports official contacts and exchanges with these and other countries' statistical offices plus a research library. The information and knowledge from this subactivity are needed to assess the economic and social stability of these countries and their potential as markets.

Housing statistics. This program conducts the Housing Vacancy Survey which produces basic information on the current housing market. The vacancy rates for rental and homeowner units and homeownership rates are produced on a quarterly and annual basis for the country as a whole, four major geographic regions, and "inside-outside" metropolitan areas by central cities and suburbs. The annual report contains vacancy rates and homeownership rates for states and selected metropolitan statistical areas. The rental vacancy rate from the Survey is a component of the index of leading economic indicators published by the Department of Commerce. The quarterly and annual reports include counts of the total housing inventory as well as data on selected characteristics of the vacant units, i.e., number of rooms, year built, duration of vacancy, monthly rent asked and sales price asked. Quarterly and annual vacancy rates cover units with selected housing characteristics (number of rooms, year built, value and rent) for the rental and homeowner inventories. Homeownership rates are also available by age of household members. Data from the survey are vital to public and private organizations in evaluating housing markets and in determining the number and characteristics of units available for occupancy and the level of homeownership. The Census Bureau compiles the vacancy information from the Current Population Survey questionnaires.

Program output	Sample size	Universe
Four quarterly press releases, four quarterly reports, and one annual report......................	67,300 housing unit sample of which approximately 10 percent are vacant	All residential housing units within the 50 states and District of Columbia

Data user	Use
Federal Reserve Board, Department of Housing and Urban Development, Bureau of Economic Analysis, and state and local government agencies..............	Measure types of housing available and levels of demand for housing in United States.
Home builders, mortgage companies and real estate agencies..................	To determine the types of housing construction needed, the types in which surpluses exist and to monitor the level of homeownership.

Exhibit 10

Department of Commerce
Bureau of the Census
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Current surveys and statistics
Subactivity: Survey development and data services

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Survey development and data services	Pos./BA	54	$3,158	54	$3,195	54	$3,314	54	$3,314	0	0
	FTE/Oblig.	56	2,888	56		56		56		0	
Total	Pos./BA	54	3,158	54	3,195	54	3,314	54	3,314	0	0
	FTE/Oblig.	56	2,888	56		56		56		0	

Department of Commerce
Bureau of the Census
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Exhibit 12

Activity: Current surveys and statistics
Subactivity: Survey development and data services

Goal Statement

The goals of Survey Development and Data Services are to identify, adapt, develop and promote new or improved methods and procedures, including automated systems and advanced technologies, to conduct the Census Bureau's statistical operations, and related activities; to provide basic statistical reference volumes and guides to sources of statistics; and to provide reports which facilitate and encourage the widespread use of the best data for decision-making at all levels.

Objectives:

The objectives of Survey Development and Data Services are to develop the Census Bureau's general research capability in survey design and estimation, time series analysis, and special experimental and evaluation studies; to undertake a program of applied research and development, focusing on statistical and technological solutions to Bureau-wide processing problems; to prepare and release the annual Statistical Abstract of the United States, annual Census Catalog and Guide, and Monthly Product Announcement; to plan and develop other statistical reference sources; and to prepare and release guides and directories to assist data users in accessing Census Bureau statistics.

Base Program

Survey development and data services

This subactivity/line item provides for programs in three areas: statistical abstracts and supplements, general research, and data systems development.

Statistical abstracts and supplements: The Census Bureau has issued the Statistical Abstract of the United States annually since 1878, except in 1926 and 1944. The abstract provides a comprehensive summary of industrial, social, economic and political data. It serves as a statistical compendium and as a guide to other statistical publications and sources. It includes over 1,500 tables and charts drawn from data of over 200 government, private and international agencies. The Statistical Abstract is the principal source for annual statistics describing the social and economic structure of the United States. An extension of the Abstract program includes planning and development of selected periodic supplements, including the County and City Data Book, and State and Metropolitan Area Data Book, and Historical Statistics of the United States. A recent survey defined the following users of the Statistical Abstract: congressional offices, administrators and planners at all levels of government; businesses; market analysts; researchers and educators; students; writers and librarians.

The Census Catalog and Guide is a complete guide to all Bureau programs, publications, special tabulations, and computer-based files. It provides detail on content, periodicity and price for all products. This publication is the Census Bureau's official record of reports and activities. The Catalog/Guide keeps the public informed about the vast flow of census reports and the availability of data by way of the Census Bureau's computer files in a controlled and dependable manner. Portions of the Catalog/Guide are maintained on computer-based, on-line retrieval systems for access by users. The Census Bureau supplements the annual Catalog/Guide by the Monthly Product Announcement which is a monthly list of all new publications, computer tapes, microfiche and other products. In addition, the Census Bureau prepares and issues the Daily List (for use within the Department of Commerce and, by paid subscription, by others) which provides a daily inventory of every report, press release, data file, microfiche and map which it issues, and listing all reports transmitted to the printer with estimated release dates.

Data user	Use
Congressional staffs/research areas.................	Policy background and research information.
State/local government planners and officials........	Research, economic development indicators, and input for state statistical publications.
Librarians..	Reference and research on national policy developments, conditions, and local trends.
Private business and marketing staffs...............	Determine market areas, trends and local conditions; and to measure current and historical trends by industry or product.
Educators and students.............................	Research on national trends and lecture background material on uses and kinds of statistics.

General research: General Research investigates problems where the solution is applicable to more than one program, or where a unified approach can be more effective than individual efforts by each program. These areas of study and application include sampling theory and design; quality assurance; record linkage; time series analysis; and other aspects of the collection, processing or analysis of data which bear on the cost and usefulness of the resulting information. This continuing research effort allows scientific and technology developments, resulting in improved statistics and a higher level of responsiveness to data users.

For FY 1994, the Census Bureau will research and develop improved editing, quality assurance and small area estimation techniques for demographic and economic programs. We will research improved methods of seasonal adjustment and of estimating standard errors of seasonally adjusted time series. Also, the Census Bureau will continue to develop and refine statistical techniques for record linkage that can be used to match administrative data to census or survey data as well as other data bases.

Data systems development: The Data Systems Development program provides resources to identify, adapt, test, and evaluate advanced hardware and software technologies that will improve the processing, timing, quality, and usefulness of Census Bureau statistical programs. The applied research will focus on those technologies that offer the greatest potential benefits to major Census Bureau statistical programs. Among the technologies to be investigated and tested are:

- Improved methods of data capture for all censuses and surveys
- Document imaging technologies permitting the processing of electronic images
- Development of a centralized telecommunication control system
- Expanded use of expert systems and artificial intelligence
- Advanced database management software and hardware

For FY 1994, the Census Bureau will continue to test various methods of data capture using state-of-the-art technology, explore potential uses of optical imaging technology; contract with outside experts to utilize better artificial intelligence in census processing; and begin development of an advanced telecommunication system. We will select projects and procure prototype technology to permit testing in a production environment.

Exhibit 16

Department of Commerce
Bureau of the Census
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		1992 Actual	1993 Currently Available 1/	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation					
11.1	Full-time permanent	$60,411	$62,646	$65,380	$67,841	$2,461
11.3	Other than full-time permanent	14,173	13,436	14,730	14,837	107
11.5	Other personnel compensation	1,642	1,046	1,071	1,071	0
11.8	Special personnel services payments	0	151	148	148	0
11.9	Total personnel compensation	76,226	77,279	81,329	83,897	2,568
12.1	Civilian personnel Benefits	14,358	15,035	16,488	17,240	752
13	Benefits for former personnel	149	12	22	22	0
21	Travel and transportation of persons	3,030	3,973	4,293	4,399	106
22	Transportation of things	320	236	238	239	1
23.1	Rental payments to GSA	7,830	9,696	10,314	10,692	378
23.2	Rental payments to others	1,055	1,293	1,215	1,215	0
23.3	Commun., util., misc. charges	4,374	4,057	4,517	4,614	97
24	Printing and reproduction	1,909	1,910	2,232	2,328	96
25.1	Consulting services	226	462	538	538	
25.2	Other services	9,877	10,259	11,111	11,909	798
26	Supplies and materials	2,127	1,765	1,913	1,962	49
31	Equipment	3,400	1,383	1,530	1,743	213
32	Lands and structures			0	0	0
33	Investments and loans			0	0	0
41	Grants, subsidies and contributions			0	0	0
42	Insurance claims and indemnities			0	0	0
43	Interest and dividends	3		0	0	0
44	Refunds			0	0	0
99	Subtotal, Direct Obligations	124,884	127,360	135,740	140,798	5,058
	Reimbursable Obligations	143,842	160,000	144,000	144,000	0
	TOTAL OBLIGATIONS	268,726	287,360	279,740	284,798	5,058

1/ The 1993 object class is based on the current Apportionment.

Exhibit 16

Department of Commerce
Bureau of the Census
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	1992 Actual	1993 Currently Available 1/	1994 Base	1994 Estimate	Increase/ (Decrease)
Personnel financed from direct obligations					
Compensable workyears:					
Full-time permanent	1,840	1,815	2,032	2,114	82
Other than full-time permanent	696	635	694	700	6
Total	2,536	2,450	2,726	2,814	88
Authorized Positions:					
Full-time permanent	2,066	2,041	2,252	2,361	109
Other than full-time permanent	1,762	1,762	1,881	1,887	6
Total	3,828	3,803	4,133	4,248	115
Personnel financed from offsetting collections					
Compensable workyears:					
Full-time permanent	1,964	1,910	1,865	1,865	0
Other than full-time permanent	923	1,622	1,314	1,314	0
Total	2,887	3,532	3,179	3,179	0
Authorized positions:					
Full-time permanent	1,746	1,608	1,608	1,608	0
Other than full-time permanent	2,292	3,573	3,628	3,628	0
Total	4,038	5,181	5,236	5,236	0

Department of Commerce
Bureau of the Census
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation				
11.1	Full-time permanent				
	Executive level	$4	$116	$116	0
	Senior executive service	40	1,087	1,087	0
	General schedule	4,286	63,373	65,834	$2,461
	Commissioned officers	0	0	0	0
	Wage board/wage marine	32	804	804	0
	Scientific & professional (P.L. 80-313)	0	0	0	0
	Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
	Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
	Senior foreign service	0	0	0	0
	Foreign service staff	0	0	0	0
	Foreign service nationals	0	0	0	0
	Consultants & experts	0	0	0	0
	Students	0	0	0	0
	Subtotal	4,362	65,380	67,841	2,461
11.3	Other than full-time permanent				
	General schedule	1,386	11,712	11,819	107
	Wage board	41	831	831	0
	Experts & consultants	219	0	0	0
	Hourly		2,187	2,187	0
	Subtotal	1,646	14,730	14,837	107
11.5	Other personnel compensation				
	Overtime	26	459	459	0
	SES performance awards	16	268	268	0
	Cash awards	14	249	249	0
	Merit pay awards	5	95	95	0
	Other	0	0	0	0
	Subtotal	61	1,071	1,071	0

Department of Commerce
Bureau of the Census
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11.8	Special personnel services payments				
	Foreign service officers (State)	($3)	$148	$148	$0
	Other	0	0	0	0
	Subtotal	(3)	148	148	0
11.9	Total personnel compensation	6,066	81,329	83,897	2,568
12.1	Civilian personnel benefits				
	Civil service retirement	187	2,614	2,614	0
	Federal employees' retirement	473	3,932	4,265	333
	Thrift savings plan	382	974	1,053	79
	Federal insurance contribution act	360	4,357	4,555	198
	Health insurance	415	3,296	3,432	136
	Life insurance	11	146	152	6
	Employees' compensation fund	24	1,120	1,120	0
	Other	0	49	49	0
	Subtotal	1,852	16,488	17,240	752
13	Benefits for former personnel				
	Severance pay	0	0	0	0
	Unemployment compensation	18	22	22	0
	Other	0	0	0	0
	Subtotal	18	22	22	0
21	Travel and transportation of persons				
	Common carrier	6	312	341	29
	Mileage	89	2,242	2,290	48
	Per diem/actual	288	1,705	1,734	29
	Vehicular	34	34	34	0
	Other	0	0	0	0
	[Overseas estimates]	0	0		0
	Subtotal	417	4,293	4,399	106

Exhibit 17

Department of Commerce
Bureau of the Census
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
22	Transportation of things	7	$238	$239	$1
	(Overseas estimates)				
23.1	Rental payments to GSA	618	10,314	10,692	378
23.2	Rental payments to others	(43)	1,215	1,215	0
23.3	Communications, utilities and miscellaneous charge	0	0	0	0
	Rental of ADP equipment	75	393	407	14
	Rental of office copying equipment	107	408	428	20
	Other equipment rental	22	79	81	2
	Telecommunications services	250	1,510	1,540	30
	Postal Service by USPS	339	1,989	2,022	33
	Other	65	138	136	(2)
	(Overseas estimates)	0	0	0	0
	Subtotal	858	4,517	4,614	97
24	Printing and reproduction				
	Publications	161	894	944	50
	Public use forms	117	608	654	46
	Envelopes	30	99	99	0
	Other	82	631	631	0
	(Payments to GA, WCF)	0	0	0	0
	(Overseas estimates)	0	0	0	0
	Subtotal	390	2,232	2,328	96
25.1	Consulting services	76	538	538	0
25.2	Other services				
	Training:				
	University	13	58	64	6
	Office of personnel management	4	27	30	3
	Other	43	183	188	5

Department of Commerce
Bureau of the Census
Salaries and Expenses

Exhibit 17

DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
	Maintenance of equipment	304	$1,331	$1,340	$9
	GSA reimbursable services	72	1,159	1,171	12
	ADP services	1	24	24	0
	Payments to GA, WCF	146	2,861	2,861	0
	Other non-government contracts	400	3,981	4,080	99
	Other	173	1,487	2,151	664
	[Overseas estimates]	0	0		0
	Subtotal	1,156	11,111	11,909	798
26	Supplies and materials				
	Office supplies	95	879	916	37
	ADP supplies	81	899	911	12
	Other	13	135	135	0
	[Overseas estimates]	0	0	0	0
	Subtotal	189	1,913	1,962	49
31	Equipment				
	Office machines and equipment	88	655	725	70
	ADP hardware	41	447	557	110
	ADP software	8	63	96	33
	Other	44	365	365	0
	[Overseas estimates]	0	0	0	0
	Subtotal	181	1,530	1,743	213

Exhibit 17

Department of Commerce
Bureau of the Census
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	Subtotal, Direct Obligations	11,785	135,740	140,798	5,058
	Reimbursable Obligations		144,000	144,000	0
	TOTAL OBLIGATIONS	11,785	279,740	284,798	5,058

Exhibit 32

Department of Commerce
Bureau of the Census

Salaries and Expenses

JUSTIFICATION OF PROPOSED LANGUAGE CHANGE

1. According to PL 101-227 (103 Stat. 1943), authorization of the Quarterly Financial Reports (QFR) Program expires on September 30, 1993.

   Appropriate legislation to extend the authorization of the QFR Program will be forwarded at a later time.

Exhibit 33

Department of Commerce
Bureau of the Census

Salaries and Expenses
Appropriation Language and Code Citations:

1. For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, $140,798,000.

13 U.S.C. 4, 6, 8(b), 12, 61-63, 181, 182, 301-307, 401; 15 U.S.C. 1516, 4901 et seq.; 19 U.S.C. 1484, 2354, 2393; 31 U.S.C. 6202; 44 U.S.C. 1343.

13 U.S.C. 4 authorizes the Secretary to "perform the functions and duties imposed upon him by this title," or he may delegate any of them "to such officers and employees of the Department of Commerce as he may designate."

13 U.S.C. 6, 8(b), 12, 61-63, 182, 301-307 provide for (1) acquisition of information from other organizations, public and private; (2) conducting joint statistical projects with nonprofit organizations or agencies; (3) conducting mechanical and electronic developmental work as needed; (4) collection and publication of statistics on fats and oils; (5) collection and publication of statistics relating to the domestic apparel and textile industries; (6) collection and publication of quarterly financial statistics of business operations; (7) conducting current surveys on statistical subjects covered by periodic censuses; and (8) compilation and publication of information on imports, exports, and mode of transportation.

13 U.S.C. 181 provides that "The Secretary...shall annually produce and publish for each state, county, and local unit of general purpose government which has a population of fifty thousand or more, current data on total population and population characteristics and... shall biennially produce and publish for other local units of general purpose government current data on total population."

13 U.S.C. 401 provides that "The Bureau of the Census shall exchange with the Bureau of Economic Analysis of the Department of Commerce information collected under this title, and under the International Investment and Trade in Services Survey Act, that pertains to any business enterprise that is operating in the United States, if the Secretary of Commerce determines such information is appropriate to augment and improve the quality of data collected under the International Investment and Trade in Services Survey Act."

15 U.S.C. 1516 provides that "The Secretary of Commerce shall have control of the work of gathering and distributing statistical information naturally relating to the subjects confided to his department...He shall also have authority to call upon other departments of the government for statistical data and results obtained by them; and he may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise."

15 U.S.C. 4901 et seq. provides that "The Secretary (of Commerce) shall establish the (National Trade) Data Bank. The Secretary shall manage the Data Bank."

19 U.S.C. 1484(e) provides that "The Secretary of the Treasury, the Secretary of Commerce, and the United States International Trade Commission are authorized and directed to establish... an enumeration of articles...comprehending all merchandise imported into the United States and exported from the United States, and shall seek, in conjunction with statistical programs for domestic production and programs for achieving international harmonization of trade statistics, to establish the comparability thereof with such enumeration of articles."

19 U.S.C. 2354 provides that "Whenever the (International Trade) Commission begins an investigation...with respect to an industry, the Commission shall immediately notify the Secretary (of Commerce) of such investigation, and the Secretary shall immediately begin a study of:

(1) the number of firms in the domestic industry producing the like or directly competitive article which have been or are likely to be certified as eligible for adjustment assistance, and

(2) the extent to which the orderly adjustment of such firms to the import competition may be facilitated through the use of existing programs."

19 U.S.C. 2393 provides that "The Secretary of Commerce and the Secretary of Labor shall establish and maintain a program to monitor imports of articles into the United States which will reflect changes in the volume of such imports, the relation of such imports to changes in domestic production, changes in employment within domestic industries producing articles like or directly competitive with such imports, and the extent to which such changes in production and employment are concentrated in specific geographic regions of the United State."

31 U.S.C. 6202 provides that the Director of the Office of Management and Budget "shall prepare a Consolidated Federal Funds Report presenting the total amount of Federal funds that were obligated for expenditure or expended in each State, county or parish, congressional district, and municipality of the United States in appropriate general categories of Federal funds during the preceding fiscal year." The Director of the Office of Management and Budget has delegated the responsibility for preparing the report to the Bureau of the Census.

44 U.S.C. 1343 provides that "In addition to the usual number of the Statistical Abstract of the United States, twelve thousand copies shall be printed: three thousand for the Senate, six thousand for the House of Representatives, and three thousand for distribution by the Secretary of Commerce."

Exhibit 34

Department of Commerce
Bureau of the Census

Salaries and Expenses
CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Management and professional support svcs.	$89	$263	$462
Studies, analysis, and evaluations	82	33	14
Engineering and technical services	55	166	62
Management and support services for research and development	0	0	0
TOTAL	226	462	538

The principal uses for advisory and assistance services in the salaries and expenses appropriation are to make the data collected by the Census Bureau more useful to the user community.

Advisory and assistance services were also used to study methodologies to improve Bureau surveys, and to obtain technical expertise in foreign countries for the Bureau's international statistical programs.

Assistance is also being obtained to aid the Bureau concerning the design, procurement, managing, and operating information systems.

Exhibit 5

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Page No.		Positions	Budget Authority	FTE	Direct Obligations
	Amount available for FY 1993 as shown in 1994 President's Budget	2,655	169,895	2,722	185,595
	plus: Dec. 17, 1992 Proposed Transfers (implemented by P.L. 102-395)	0	3,405	0	3,405
	Appropriation, 1993	2,655	173,300	2,722	189,000
	less: Obligations from prior years	0	0	0	(5,855)
	plus: Planned cyclical changes in periodic censuses	(923)	(36,717)	(654)	(46,562)
CEN-99	plus 1994 adjustments to base:	0	(12,499)	0	(12,499)
	less: Prior year recoveries	0	(4,000)	0	0
	1994 Base	1,732	120,084	2,068	124,084
	plus 1994 program changes	148	10,834	114	10,834
	1994 Estimate	1,880	130,918	2,182	134,918

	Comparison by activity/subactivity, with subtotals by activity:		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 base	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	Economic statistics programs:											
CEN-105	Economic censuses	Pos./BA	380	$26,653	563	$45,355	520	$37,494	520	$37,494	0	0
		FTE/Obl.	451	27,455	813	48,608	657	37,494	657	37,494	0	0
CEN-111	Census of governments	Pos./BA	60	4,456	69	2,692	37	2,892	37	2,892	0	0
		FTE/Obl.	94	4,326	72	2,930	45	2,892	45	2,892	0	0
CEN-115	Census of agriculture	Pos./BA	199	13,340	745	28,064	336	19,972	336	19,972	0	0
		FTE/Obl.	226	13,664	525	30,064	351	19,972	351	19,972	0	0
	Subtotal	Pos./BA	639	44,449	1,377	76,111	893	60,358	893	60,358	0	0
		FTE/Obl.	771	45,445	1,410	81,602	1,053	60,358	1,053	60,358	0	0

	Comparison by activity:		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 base	
			Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
	Demographic statistics programs:											
CEN-121	Intercensal demographic estimates	Pos./BA	53	$3,641	48	$3,594	51	$5,425	51	$5,425	0	0
		FTE/Obl.	54	3,661	52	3,855	56	5,425	56	5,425	0	0
CEN-125	1990 Decennial census	Pos./BA	1,082	72,598	722	49,100	0	(4,000)	0	(4,000)	0	0
		FTE/Obl.	1,264	82,289	615	55,395	0	0	0	0	0	0
CEN-127	Decennial census	Pos./BA	102	10,055	161	13,000	317	19,288	370	23,122	53	$3,834
		FTE/Obl.	111	9,441	162	13,750	274	19,288	316	23,122	42	3,834
	Subtotal	Pos./BA	1,237	86,294	931	65,694	368	20,713	421	24,547	53	3,834
		FTE/Obl.	1,429	95,391	829	73,000	330	24,713	372	28,547	42	3,834
CEN-143	Sample redesign	Pos./BA	106	7,567	147	10,765	185	13,048	185	13,048	0	0
		FTE/Obl.	122	7,275	279	11,539	389	13,048	389	13,048	0	0
CEN-147	Geographic support	Pos./BA	167	8,462	200	12,283	286	17,962	381	23,962	95	6,000
		FTE/Obl.	210	9,311	204	13,161	296	17,962	368	23,962	72	6,000
CEN-169	Data processing systems	Pos./BA	0	18,228	0	5,042	0	8,003	0	9,003	0	1,000
		FTE/Obl.	0	19,538	0	6,293	0	8,003	0	9,003	0	1,000
	Total	Pos./BA	2,149	165,000	2,655	169,895	1,732	120,084	1,880	130,918	148	10,834
		FTE/Obl.	2,532	176,960	2,722	185,595	2,068	124,084	2,182	134,918	114	10,834
	Adjustments for:											
	Recoveries of prior year obligations			(8,497)		(5,855)		(4,000)		(4,000)		
	Unobligated balance, start of year			(13,308)		(9,845)						
	Unobligated balance, end of year			9,845								
	Transfer to Salaries and Expenses			0		3,405						
	Appropriation	Pos.	2,149	165,000	2,655	173,300	1,732	120,084	1,880	130,918	148	10,834

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
SUMMARY OF FINANCING
(Dollar amounts in thousands)

Exhibit 7

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease) over 1994 Base
	Amount	Amount	Amount	Amount	Amount
Total Obligations	$176,960	$185,595	$124,084	$134,918	$10,834
Financing:					
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	0	0	0	0	0
Non-Federal sources	0	0	0	0	0
Recoveries	(8,497)	(5,855)	(4,000)	(4,000)	0
Unobligated balance, start of year	(13,308)	(9,845)	0	0	0
Unobligated balance transferred	0	0	0	0	0
Unobligated balance, end of year	9,845	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	165,000	169,895	120,084	130,918	10,834
Financing from transfers:					
Transfers from other accounts		0	0	0	0
Transfers to other accounts	0	3405			
Sequester	0				
Appropriation	165,000	173,300	120,084	130,918	10,834

Exhibit 8

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
ADJUSTMENTS TO BASE AND ADJUSTMENTS TO CYCLICAL REQUIREMENTS
(Dollar amounts in thousands)

	Perm Pos.	Amount
Transfers		
Adjustment		
Administrative expenses		(2,947)
FTE reduction		(1,812)
Financing		
Other Changes:		
1993 Pay Raise		$597
Thrift Savings Plan		176
Employees' Compensation Fund		(852)
Travel Adjustment		(853)
Total, adjustments to base		(5,691)
Adjustment to cyclical requirements		2,192
Funding shift for automated data processing		(9,000)
Total, adjustments to cyclical requirements		(6,808)

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

Exhibit 9

Adjustments:	Perm Pos.	Amount
Administrative expenses		$(2,947)

Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $2,947,000 in 1994 for administrative expenses.

	Perm Pos.	Amount
FTE reduction		(1,812)

Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be savings of $1,812,000 in our personnel costs.

Other Changes:

	Perm Pos.	Amount
Pay Raises Full-year cost of 1993 pay increase and related cost		597

A pay raise of 3.7% was effective January 1, 1993.

Total cost in 1994 of 1993 pay increase	$2,048,000
Less amount funded in 1993	-1,451,000
Less amount absorbed in FY 1994	0
Amount requested in 1994 to provide full year cost of 1993 pay increase	597,000

	Perm Pos.	Amount
Thrift Savings Plan		176

The cost of the Bureau's contributions to the Thrift Savings Plan will rise as FERS participation increases. The contribution rate is expected to increase from 2% to 3%.

The contribution rate for the Thrift Savings Plan has increased from 2% to 3% resulting in an increase of $176,000.

Regular employees covered by FERS		
1994 re-estimate	$17,600,000 x .03	528,000
1994 estimate	17,600,000 x .02	352,000
Total adjustment-to-base		176,000

	Perm Pos.	Amount
Employees' Compensation Fund..		(852)
The Employees' Compensation Fund bill for the year ending June 30, 1992, is $852,000 lower than the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor pursuant to 5 USC 8147.		
Travel Adjustment..		(853)
Based on a study of actual travel costs per FTE over a five-year period, the travel base has been reduced by $853,000.		
Total	0	($5,691)

Exhibit 9 A

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF ADJUSTMENTS TO CYCLICAL REQUIREMENTS
(Dollar amounts in thousands)

	Perm Pos.	Amount
Adjustments To Cyclical Requirements..		$2,192

The Budget formats are designed for annual programs with incremental changes. The Periodic Censuses and Programs appropriation is an exception to the format. In Periodic Censuses and Programs, the total cost of each census is based on the updated cost of the previous census--not last year's cost plus traditional adjustments-to-base. We update planning ceilings which are based on comparable years; these ceilings incorporate the cyclical amounts associated with the census/program. The updating process is performed each year by object class category using economic assumptions from the Office of Management and Budget, General Services Administration, and the Government Printing Office. Below are the detail percentages used to update each object class category:

Travel		Comm, Utilities	3.1%
Per Diem	6.1%	Printing	3.7%
Transportation	3.1%	Other Services	3.1%
GSA Space	3.0%	Supplies	3.1%
Rental Pay	3.1%	Equipment	3.1%

Updating Calculations by Object Class:

Object Class	94 Cyclical Ceiling	Update Amount
Salaries and related	60,510	0
Travel	2,468	68
Transportation of things	123	4
GSA space rental	5,853	176
Rental payments to other	249	8
Comm, utili, and misc charges	2,929	91
Printing and reproduction	3,802	141
Other services	23,457	464
Supplies	2,307	72
Equipment	17,830	279
Total	119,528	1,303
Decennial Census ceiling adjustment	19,360	889
Total, FY 1994 ceiling in the 1993 budget process	138,888	2,192

	Perm Pos.	Amount
Funding shift for automated data processing We are proposing to shift $9,000,000 from FY 1994 to FY 1995. These funds are for the mid-decade modernization and replacement of census mainframes. This is being delayed a year in order to complete requirements analysis.	0	$(9,000)
Total, Adjustment to Cyclical Requirements	0	$(6,808)

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Economics statistics programs
Subactivity: Economic censuses

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Direction	Pos./BA	40	$3,283	44	$4,306	44	$3,326	44	$3,326	0	$0
	FTE/Obl.	40	3,283	44	4,306	44	3,326	44	3,326	0	0
Content Determination and Design	Pos./BA	161	11,268	0	207	0	0	0	0	0	0
	FTE/Obl.	199	12,070	0	207	0	0	0	0	0	0
Mail List Development and Mailout	Pos./BA	23	1,029	17	6,356	0	0	0	0	0	0
	FTE/Obl.	28	1,029	26	6,356	0	0	0	0	0	0
Collection and Processing	Pos./BA	141	9,413	485	32,893	336	24,862	336	24,862	0	0
	FTE/Obl.	169	9,413	721	36,146	433	24,862	433	24,862	0	0
Publication and Dissemination	Pos./BA	15	1,660	17	1,593	140	9,306	140	9,306	0	0
	FTE/Obl.	15	1,660	22	1,593	180	9,306	180	9,306	0	0
Total	Pos./BA	380	26,653	563	45,355	520	37,494	520	37,494	0	0
	FTE/Obl.	451	27,455	813	48,608	657	37,494	657	37,494	0	0
Adjustments for:											
Recoveries of prior year obligations			(67)		(3,249)						
Unobligated balance, start of year			(739)		(4)						
Unobligated balance, end of year			4								
Unobligated balance adjustment, end of year			0								
Sequester											
Transfer to Salaries and Expenses					(571)						
Appropriation	Pos.	380	26,653	563	44,784	520	37,494	520	37,494	0	0

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic statistics programs
Subactivity: Economic censuses

Goal Statement

The goals of the Economic Censuses are to provide comprehensive statistics on the level of U.S. economic activity and the characteristics of industrial and business establishments at the country, state and local levels and outlying areas.

Objectives:

The objectives of the Economic Censuses are to initiate planning and improvements in the methodologies used in the collection, processing and publication of the economic censuses; to plan data content; to enhance programs designed to minimize respondent burden and provide respondent assistance; and to ensure the quality of data collected in the censuses.

Base Program

Title 13 U.S.C. 131 requires the censuses of manufactures, mineral industries, construction industries, retail and wholesale trade, service industries, transportation and other businesses every five years, covering the years ending in 2 and 7. The Economic Censuses also include several related programs that provide statistics on businesses owned by minorities and women, transportation characteristics, and information on the economic characteristics of companies operating multiple locations. The 1992 Economic Censuses of Outlying Areas will encompass Puerto Rico, Virgin Islands, Guam and Northern Mariana Islands. The results of the censuses are summarized and presented for various classifications such as kind-of business, geographic location (state, county, metropolitan statistical areas, city and place), sales size, employment size, legal form of organization and degree of specialization.

The Economic Censuses represent the primary source of facts about the structure and function of the U.S. economy, providing essential information to government and business. These censuses furnish an important part of the framework for composite measures such as the gross national product and input-output analyses. In forecasting and planning, it is especially useful to analyze the national product in terms of the elements which determine its size and composition. The Economic Censuses make this possible by providing weights and benchmarks for indexes of industrial production, productivity and prices. Also, the censuses furnish benchmarks and sampling lists for the Census Bureau's current economic programs. Business enterprises, trade associations, banks, investors, research groups, educational institutions and unions use data from the censuses for the purposes of planning expansion programs, selecting locations for new establishments, forecasting sales trends, determining market potential, forecasting sales and advertising performance, and performing other analyses. Also, the information is used to revise the Standard Industrial Classification (SIC) system.

The 1992 Economic Censuses will include about 15 million establishments engaged in mining, manufacturing, construction, retail, wholesale, transportation, communication, utilities, finance, insurance, real estate and other service industries. The scope of the 1992 Economic Censuses has been expanded to cover 95 additional industries, including finance, insurance, real estate, communications, utilities, and those transportation industries not covered in the 1987 Censuses. The Census Bureau minimizes respondent burden by sending questionnaires to less than 33 percent of these establishments. Administrative records are used to obtain information from the remaining establishments which includes the smaller businesses.

FY 1994 is the fifth year in the 6-year cycle of the 1992 Economic Censuses. This year marks the transition from centralized processing in our Jeffersonville, Indiana facility to processing by individual divisions at headquarters. We will complete the computer edits of millions of establishment records and identify and correct erroneous and/or inconsistent records. Imputation programs also will estimate data for incomplete reports and nonrespondents. After establishment records are tabulated and summarized, our analysts will review hundreds of thousands of data cells for consistency and accuracy. We will review suspicious and erroneous relationships; make telephone calls, if required; and correct individual establishment records. As part of the summary data review, we will analyze data cells to ensure that no publication of data product discloses information about an individual company.

In the late fall of 1993, we begin releasing over 500 individual reports published as part of the 1992 Economic Censuses. The reports are issued in separate geographic, industry, and subject series. We provide data in a variety of different media, including printed reports, computer diskettes, computer tapes, and CD-ROM. These operations cross all line items and apply to each of the censuses.

A description of each line item and specific 1994 Base Obligations changes to the FY 1993 Appropriation (Obligations) are as follows, (dollar amounts in thousands):

There is a net decrease (-$11,114; -156 FTE) from FY 1993 obligations to FY 1994 base obligations. There are, however, pluses and minuses for line item activities, including recoveries of prior year obligations, (-$3,249):

Direction:

> Direction includes planning and support activities necessary to conduct the censuses. Specific activities are the design and testing of collection and processing systems, pretest activities, and overall direction and coordination of the censuses.

(-$980; -0 FTE) In FY 1993, we completed support activities related to data collection and initial processing of report forms. In FY 1994, resources will shift to the direction and coordination of post-collection processing including data review, publication preparation and data products dissemination.

Content Determination/Design:

Content Determination/Design activities include clearance of the more than 500 industry specific census forms content with industry and Government analysts, respondents, and other data users. This line item also includes all design and printing of the census forms.

(-$207; 0 FTE) All work relating to content determination/design ended in FY 1993.

Mail List Development and Mailout:

This line item includes all activities associated with preparing the census file of more than 10 million businesses for mailing. This includes program specifications, procurement and processing of administrative records, programming activities, and labelling and assembly of mail packages. Postage costs also are included in this line item.

(-$6,356; -26 FTE) In FY 1993, we completed the mail list development and mailout phase that began in FY 1992. No activity in FY 1994.

Collection and Processing:

Collection and Processing includes all collection and clerical operations conducted in our Jeffersonville, Indiana processing office, such as check-in of forms, data capture, all incoming and outgoing telephone operations, correspondence, computer edit of data, and the correction of erroneous and/or inconsistent establishment information. This activity also includes professional staff associated with data collection and initial review of census data.

(-$11,284; -288 FTE) In FY 1993, we completed many of these activities including most of the clerical processing activities in Jeffersonville, Indiana. By the end of FY 1993, we will have processed over 3.6 million forms through our Jeffersonville office. During FY 1994, the professional staff will still be involved in collection and processing as they prepare the data for publication review. The professional staff will be reviewing and correcting thousands of complex edit rejects and resolving large company reporting problems. Programming staff also will continue preparing programs for processing the data before publication review. The major activities associated with the collection and processing for the Minority- and Women- Owned Business program also will begin in 1994.

Publication and Dissemination:

This line item includes all operations related to final review of the data, publication, and dissemination of the census information to the data users. This activity includes printing of the more than 1,000 industry, geographic, and special publications and development of CD-ROM's and other electronic media.

(+$7,713; +158 FTE) In FY 1994, we will review and publish data from the censuses. Staff resources will be devoted to this effort, as the collection and processing phase of the census draws to a close. Publication and dissemination of the data will become the focus of our activities. Printing costs will rise as we prepare the data for publication and dissemination to the public. By the end of FY 1994, most of our resources will be devoted to publishing information collected in the censuses.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Economics statistics programs
Subactivity: Census of governments

Line Item		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Direction	Pos./BA	11	$386	9	$166	3	$270	3	$270	0	$0
	FTE/Obl.	7	386	4	181	3	270	3	270	0	0
Content Determination and Design	Pos./BA	7	230	1	82	0	0	0	0	0	0
	FTE/Obl.	1	230	1	89	0	0	0	0	0	0
Mail List Development and Mailout	Pos./BA	18	532	17	685	3	36	3	36	0	0
	FTE/Obl.	9	532	15	746	5	36	5	36	0	0
Collection and Processing	Pos./BA	24	3,308	23	1,337	10	742	10	742	0	0
	FTE/Obl.	77	3,178	46	1,455	10	742	10	742	0	0
Publication and Dissemination	Pos./BA	0	0	19	422	21	1,844	21	1,844	0	0
	FTE/Obl.	0	0	6	459	27	1,844	27	1,844	0	0
Total	Pos./BA	60	4,456	69	2,692	37	2,892	37	2,892	0	0
	FTE/Obl.	94	4,326	72	2,930	45	2,892	45	2,892	0	0
Adjustments for:											
Recoveries of prior year obligations					(108)						
Unobligated balance, start of year					(130)						
Unobligated balance, end of year			130								
Unobligated balance adjustment, end of year											
Sequester											
Transfer to Salaries and Expenses					(42)						
Appropriation	Pos.	60	4,456	69	2,650	37	2,892	37	2,892	0	0

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic statistics programs
Subactivity: Census of governments

Goal Statement

The goal of the Census of Governments is to provide benchmark figures in the areas of public finance and public employment; local government organization, powers and activities; state and local fiscal relationships; and property tax administration and related subjects.

Objectives:

The objectives of the Census of Governments are to identify the most pressing data needs in the areas of public finance, public employment, state and local government organization and structure, and tax administration; and to develop procedures and arrangements which will gather and present the data in the most efficient and useful way.

Base Program

Title 13 U.S.C. 161 requires the Census of Governments on a quinquennial basis. Title 13 requires "each such census shall include, but not be limited to, data on taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employees of states, counties, cities and other governmental units." The Census Bureau has conducted the Census of Governments, every five years since 1957. This census is the only source of comprehensive and uniformly classified data on the economic activities of state and local governments.

The Census of Governments represents the primary source of facts about the structure and function of the public sector of the U.S. economy, providing essential information to the Congress and Federal Agencies. The census contributes an important part of the framework for composite measures such as the gross national product and input-output analyses. Also, the census furnishes benchmarks and sampling lists for the Census Bureau's current state and local governments statistics programs.

Findings from the Census of Governments are also used by: Congress and Federal agencies in planning and appraising programs involving intergovernmental relationships, Federal revenue and debt policies; state legislative and executive agencies, local government officials and civic groups to compare financing, employment levels, employee pay and operations among geographic areas and to improve equity in property tax administration; financial and business firms concerned with municipal security ratings and relative levels of taxation and expenditure in particular areas for market research purposes; and economic research agencies, textbook writers and educators to describe the nature, scale and trends of governmental activities in the United States.

The 1992 Census of Governments will include over 87,000 independent local government units and hundreds of thousands of subordinate authorities and agencies. The Census Bureau collects most census information by mail but some units provide data on magnetic tapes and computer printouts. We conduct field enumeration to gather much of the data on tax valuations, the 50 states and 130 largest local governments, and to follow-up on nonrespondents and difficult cases.

FY 1994 is the fifth year in the 5-year cycle of the 1992 Census of Governments. This year marks the completion of data processing and tabulation. We will complete the computer edits for thousands of government units and subordinate agencies and identify and correct erroneous and/or inconsistent records. We will also complete imputation programs to estimate data for incomplete reports and nonrespondents. We will summarize and tabulate the government unit records, review data cells for consistency and accuracy, and investigate and correct individual government records as required. We will analyze the tabulations, write explanatory texts and prepare publication copy for the 1992 Census of Governments report series. We will release census reports for government organization, taxable property values, and government finance and employment, which will present data for thousands of individual government units. We will disseminate data in a variety of different media, including printed reports, computer tapes and diskettes, and CD-ROM.

A description of each line item and specific 1994 Base obligations changes to the FY 1993 Appropriation (Obligations) are as follows, (dollar amounts in thousands):

There is a net decrease (-$38; -27 FTE) from FY 1993 obligations to FY 1994 base obligations. There are pluses and minuses for the line item activities, including recoveries of prior year obligations, (-$108):

Direction:

Direction includes planning and support activities necessary to conduct the censuses. Specific activities are the design and testing of collection and processing systems, and overall direction and coordination of the censuses.

(+$89; -1 FTE) There are no base activity changes in FY 1994. The overall direction and support activities in FY 1993 will continue in FY 1994. For FY 1994, these activities will center around the review of the tabular presentation and electronic media and formats used to disseminate the data, with the view toward improving the clarity and utility of the 1992 data.

Content Determination and Design :

Content Determination/Design activities include clearance of census forms content with Government analysts, respondents, and other data users. This line item also includes all design and printing of the census forms.

(-$89; -1 FTE) There are no base activity changes in FY 1994. Most activities covering questionnaire design and printing were completed in FY 1992 and the remaining census forms will be printed in early FY 1993. A small amount of this activity will continue in FY 1994 to cover the design of evaluation surveys.

Mail List Development and Mailout:

This line item includes all activities associated with preparing the census file of government units for mailing. This includes legal research to identify and classify new government units, a pre-list survey to update lists of special district governments, and a directory survey of all identified government units in October 1991. Also included in this line item are: programming activities, labelling and assembly of mail packages, and postage costs.

(-$710; -10 FTE) In FY 1993, we will complete the mail list development and mailout phase that began in FY 1990. This phase is followed by collection, clerical processing, extensive mail and telephone follow-up activities, and computer processing.

We will complete these activities in FY 1993 and therefore, will drop them from the FY 1994 Budget except for basic maintenance activities of the Governments Integrated Directory File.

Collection and Processing:

Collection and Processing includes all collection and clerical operations conducted in our Jeffersonville, Indiana processing office, such as check-in of forms, data capture, all incoming and outgoing telephone operations, correspondence, computer edit of data, and the correction of erroneous and/or inconsistent information. This activity also includes professional staff associated with data collection and initial review of census data.

(-$713; -36 FTE) We began these activities in FY 1992, and in FY 1993 we will complete nonresponse follow-up, clerical processing and review, and data entry in Jeffersonville, Indiana. By the end of FY 1993, much of the professional staff's activities will be directed from the collection and processing phase to publication and dissemination.

Publication and Dissemination:

This line item includes all operations related to final review of the data, tabulation, publication, and dissemination of the census information to the data users. This activity includes printing of the publications and development of public use data files and other electronic media.

(+$1,385; +21 FTE) In FY 1993, we will review data and publish preliminary reports from the census. In FY 1994, we will complete data review and publish final reports in the 1992 Census of Governments report series. Staff resources will be devoted to table review, quality follow-up, data analysis, and text preparation. Printing costs will increase as we release the data to the public.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Economics statistics programs
Subactivity: Census of agriculture

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Direction	Pos./BA	59	2,231	89	3,049	84	2,675	84	2,675	0	0
	FTE/Obl.	54	2,231	58	3,049	58	2,675	58	2,675	0	0
Content Determination and Design	Pos./BA	51	3,493	20	641	10	428	10	428	0	0
	FTE/Obl.	37	3,493	14	641	14	428	14	428	0	0
Mail List Development and Mailout	Pos./BA	22	1,889	51	6,064	13	1,322	13	1,322	0	0
	FTE/Obl.	34	1,889	52	6,064	30	1,322	30	1,322	0	0
Collection and Processing	Pos./BA	57	5,024	545	16,683	159	10,550	159	10,550	0	0
	FTE/Obl.	85	5,348	381	18,683	182	10,550	182	10,550	0	0
Publication and Dissemination	Pos./BA	10	703	40	1,627	70	4,997	70	4,997	0	0
	FTE/Obl.	16	703	20	1,627	67	4,997	67	4,997	0	0
Total	Pos./BA	199	13,340	745	28,064	336	19,972	336	19,972	0	0
	FTE/Obl.	226	13,664	525	30,064	351	19,972	351	19,972	0	0
Adjustments for:											
Recoveries of prior year obligations			(124)		(2,200)						
Unobligated balance, start of year					200						
Unobligated balance, end of year			(200)								
Unobligated balance adjustment, end of year											
Sequester					(254)						
Transfer to Salaries and Expenses											
Appropriation	Pos.	199	13,340	745	27,810	336	19,972	336	19,972	0	0

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Economic statistics programs
Subactivity: Census of agriculture

Goal Statement

The goals of the Census of Agriculture are to provide relevant, comprehensive statistical information on the agricultural sector of the U.S. economy at the national, state, county, and other geographic levels; to provide descriptive data on farm enterprises; to provide data on selected agricultural subjects for the years following the census at the national, state and regional levels; and to provide data on irrigation at the national, state and district levels.

Objective:

The objectives of the Census of Agriculture are to maintain and improve the relevance, quality and timeliness of information collected; to provide improved comparability of economic data from the agricultural sector with data from the other economic sectors; and to improve the accessibility of data for national and other geographic area analyses of the agricultural sector.

Base Program

Title 13 U.S.C. 142 requires the Census of Agriculture for years ending in 2 and 7, and the Census of Irrigation at ten year intervals for years ending in 7.

The Census of Agriculture provides statistical measures of the agricultural sector of the U.S. economy at the national, state, county, and other geographic levels. The basic information consists of the number of farms, farm acreage, operating expenditures, value of farmland and buildings, land use, crop acreage, production and sales, livestock inventories and sales, equipment, government loan and farm program participation, and farm practices, i.e., the use of pesticides, fertilizers, and irrigation. The Census of Agriculture is the only source of nationally consistent, comprehensive data for production agriculture for all states and counties.

The census provides agricultural data for a wide spectrum of users. For example, the Administration and Congress use the data to formulate and evaluate national farm programs. The Department of Agriculture uses the data to determine changes in the agriculture sector, to benchmark current data series and recurring and special sample surveys, and to prepare the farm sector accounts. The Bureau of Economic Analysis uses the data to prepare national economic accounts as well as statistics on regional income data. The Departments of Agriculture and Interior, state and local governments and others use on-farm irrigation data to evaluate water resource requirements and to develop national and local policies on agricultural water use and water reclamation projects. The Soil Conservation Service uses the data in providing appraisals of trends, status and conditions in irrigation as required by the Food Security Act of 1985. Agencies such as the Farm Credit Administration use production, sales and expenditures data to formulate and evaluate farmer loan and other credit programs for the agriculture sector. Local areas use census data to evaluate the need for farm support facilities such as equipment and farm suppliers, grain elevators and other marketing support, and to develop programs which provide incentives to preserve agricultural lands. Farmer organizations use the data for planning programs for their membership. Agencies such as the Animal and Plant Health Inspection Service, Extension Service and Agriculture Stabilization and Conservation Service use the data to allocate resources to specific counties and to implement their programs. Federal programs allocate billions of dollars of funds annually based on census information.

FY 1994 is the fifth year in the six-year cycle for the 1992 Census of Agriculture. In FY 1993 we concentrated on the data collection and processing, primarily in Jeffersonville, including the mailing, data entry, computer edits, and resolution of edit rejects for the nearly 2 million report forms. FY 1994 concentrates primarily on the tabulation and review of the consolidated data, and the release of the detailed data in the Volume 1, Geographic Area Series. The coverage evaluation work, as well as the processing and estimation because of nonresponse will be conducted for each state, to be incorporated into each state's Volume 1.

The data processing, tabulation and publication for the censuses of Puerto Rico, Guam, and the Virgin Islands will be done in this fiscal year also. The follow-on (sample) 1993 Farm and Ranch Irrigation Survey will be mailed to approximately 20,000 irrigators and the report forms data keyed and edited in FY 1994, publication is expected in FY 1995.

A description of each line item and specific 1994 Base Obligations changes to the FY 1993 Appropriation (Obligations) below, (dollar amounts in thousands):

There is a net decrease (-$10,092; -174 FTE) from FY 1993 obligations to FY 1994 base obligations. There are, however, pluses and minuses for line item activities, including recoveries of prior year obligations (-$2,200):

Direction:

Direction provides the professional, technical, and other overall support staff and activities required to conduct the census. It also includes the overall leadership in the design and testing of data collection forms, the census design, collection and processing methodologies, and overall direction and coordination of all phases of the census.

(-$374; -0 FTE) In FY 1993, we will complete the direction and coordination of the determination of facility, equipment, and staffing requirements and their implementation for data collection and processing. Also, we will provide overall management of the mailing, data collection, and processing of the census. In FY 1994, we will provide overall direction of the census data tabulation, review, and data release.

Content Determination/Design:

This includes working with data users to identify their priority needs for content of the census and then the evaluation and testing of the hundreds of requests for questions to be included in the census and related follow-on surveys. Testing of various methodologies for collection and processing is included to determine the most effective census content and design. Also included are the activities required for design of the nearly 50 report forms, clearance with hundreds of data user groups, including federal agencies, farm organizations, agri-business, state and local governments, and others. This line item also includes the clearance with OMB and the printing of the report forms.

(-$213; -0 FTE) Most activities for content and design were completed in FY 1992. We will continue to wind down these activities in FY 1993. For FY 1994, we will begin evaluating the quality of the reporting for selected items of the 1992 census report forms in preparation for improvements in design and wording for the 1997 census.

Mail List Development and Mailout:

Included in this line item are all activities devoted to determining the source lists to use in developing the mail list for the census, and the acquisition, merging, unduplication, and preparation of the final list used in mailing the report forms. Also included are the negotiations and planning with the USPS, mailing preparation, labeling, sorting, and mailing the report forms for the initial and all followup mailings in the census. Preparation of specifications, procedures, and computer programs; computer operations; and postage for the mail list development and report form mailing are also included.

(-$4,742; -22 FTE) In FY 1993, preparation of the mail list will be complete and the report forms and followup mailings will be prepared and mailed. In summary, close to 15 million pieces of mail will be handled during the data collection, including the initial mailout, reminder post card, three followup packages, and a followup letter to nonrespondents at approximately monthly intervals. FY 1994 includes several activities directed at evaluating the effectiveness of the development and mailing processes and the lists themselves in preparation for planning the 1997 census.

Collection and Processing:

Includes all activities involved in the computer and clerical operations necessary for collecting and processing the census. Planning and preparation activities include overall systems design, specifications preparation, computer programming, and preparation of clerical procedures. The operations included are the check-in of forms, data capture and review, incoming and nonresponse telephone followup, computer and clerical edit review and resolution, and tabulation and review. This includes performing data analysis against other data sets for all counties and states, as well as the analysis of all data cells to avoid disclosing data about individual agricultural operations.

(-$8,133; -199 FTE) All of the activities involved in data collection and many of the processing activities will be completed in FY 1993. During FY 1994, we will complete the review and, when necessary, resolution of reporting problems for the nearly 2.0 million report forms. The reported data will be tabulated for every state, county and the U.S. Each geographic entity will be carefully reviewed and tabulations compared to previous census, comparative data and estimates from other data series, such as NASS, the Conservation Reserve Program, and other comparable sources. Any problems will be resolved by checking individual reports. The data collection and processing for the nonresponse survey will be completed and the census tabulated data will be adjusted to include estimates for nonresponse. The estimates of coverage of farms by state will be processed and provided for inclusion in the publications. The data collection and processing for the Island censuses (Puerto Rico, Guam and the Virgin Islands) will be completed in FY 1994 and tabulations completed and reviewed in preparation for publication.

Publication and Dissemination:

This line item includes all activities related to preparation of the publications and electronic release of the census results. This includes the computer preparation and professional review of the publications, files for electronic release, and dissemination of the census data to the users. Included is the printing of the Volume 1 Geographic Area Series for every state, the U.S., Puerto Rico, Guam, and the Virgin Islands. Other reports such as data by ZIP Code, Ranking States and Counties, and the U.S. Agriculture Atlas preparation and publication also are included. Preparation of computer files for electronic release, such as sales tape, CD-ROM, and other media, are also in this line item.

(+$3,370; +47 FTE) In FY 1994, we will concentrate on review and release (printed and electronic) of the data from the censuses. Publication and dissemination of the data will be the primary activities of the staff. This includes preparing the publications tables, text, and related matter, printing the publications, and working with data users to assist them in properly using the data. By the end of FY 1994, most of the Volume 1's for the individual states will be completed.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Demographic statistics programs
Subactivity: Intercensal demographic estimates

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Intercensal demographic estimates	Pos./BA	53	$3,641	48	$3,594	51	$5,425	51	$5,425	0	$0
	FTE/Obl.	54	3,661	52	3,855	56	5,425	56	5,425	0	0
Total	Pos./BA	53	3,641	48	3,594	51	5,425	51	5,425	0	0
	FTE/Obl.	54	3,661	52	3,855	56	5,425	56	5,425	0	0
Adjustments for:											
Recoveries of prior year obligations			(10)		(236)						
Unobligated balance, start of year			(35)		(25)						
Unobligated balance, end of year			25								
Sequester											
Transfer to Salaries and Expenses					(45)						
Appropriation	Pos.	53	3,641	48	3,549	51	5,425	51	5,425	0	0

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Demographic statistics programs
Subactivity: Intercensal demographic estimates

Goal Statement

The intercensal demographic estimates activity develops updated population estimates, in years between decennial censuses, for states, counties, metropolitan areas and urban places; and prepares a variety of data to meet diverse legislative needs.

Objectives:

The objectives of Intercensal Demographic Estimates are to provide data to update population estimates for the many federal programs that provide benefits to state, county and local units of government through the use of distribution formulas. The importance of population data in these formulas requires the development and use of current data. The Congress formalized this requirement in 1976 with the enactment of Public Law 94-521, requiring the Census Bureau to produce annual population estimates for units of general purpose government. The public law specifies the use of such estimates by Federal agencies in the administration of Federal program benefits to state, county and local units of government when the population is used to determine the amount of benefits.

Base Program

Administrative records already collected by the Federal Government (such as income tax returns, Medicare enrollment records, and vital statistics) are a primary source of information for the intercensal estimates. For example, the individual income tax returns are geographically coded and used to develop migration statistics. A crucial part of this operation is the development and maintenance of a geographic coding scheme to match administrative record addresses to Census Bureau geography. These data, when combined with other geographic information, make it possible to provide current estimates for states, counties and local governmental units eligible to participate in Federal benefit programs. The population estimation system using administrative records provides geographic detail and a level of accuracy in line with the quality level recommended or proposed for figures required for legislative purposes. The Census Bureau uses the findings of evaluation studies to further improve the estimates.

The intercensal demographic estimates program includes a formal challenge procedure whereby local officials can submit evidence to challenge these estimates. The Census Bureau then researches and resolves these data challenges by state and local governments. The review process involves checking for clerical and logical errors on input data including births, deaths, institutional population, military station strength and barrack population, and migration data. It also reviews any supporting data supplied by the challenging government. If necessary, the Census Bureau will ask its local contacts--developed through the Federal-State Cooperative Program for Population Estimates--for comments and any new data available on the challenging areas' current population.

Beyond use in the distribution of Federal funds, the estimates for the geographic distribution of population provide the data needed to make decisions such as the local of retail outlets and manufacturing establishments, state and local government services, planning of utility service, and redefining metropolitan areas.

The Census Bureau evaluates the estimates methodology in light of census results and revises estimation methods accordingly. The Census Bureau prepares migration flow tabulations and sends population estimates and migration data to the appropriate Federal agencies for their use.

Specific 1994 Base Obligations Changes to the 1993 Appropriation (Obligations), (dollar amounts in thousands):

(+$1,570; +4 FTE) This amount includes estimated recoveries of prior year obligations of (-$236). This base change in FY 1994 base obligations is to fund the periodic coding update of intercensal estimates. This process is essential to update the geographic coding of tax returns and other administrative data each decade so that the populations are estimated in their correct residences with revised geography. Major activities include: creation of geographic extract files based on the 1990 census and subsequent updates; development of a coding methodology that uses these extract files to code administrative record mailing addresses to the block level; development of a separate backup methodology (such as a probability coding system) that will code nonstandard addresses such as rural routes and post office boxes; processing over 100 million administrative records to test the new coding procedures against last decade's coding methods.

In previous decades, we have done this recoding by a once or twice a decade massive effort to ask place of residence on the IRS 1040 tax return, to pay IRS to code these numbers manually, and to revise our coding guides appropriately. Unfortunately, this process imposed a high response burden on the public and was quite costly. This decade, we will perform much of this recoding using the already collected data from the decennial census Master Address Files and the TIGER geographic data base. This procedure is much more cost effective.

Exhibit 10

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: **Demographic statistics programs**
Subactivity: **1990 Decennial census**

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) Over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Planning, direction and review	Pos./BA	135	$9,631	125	$9,066	0	$0	0	$0	0	$0
	FTE/Oblig.	124	10,167	108	9,527	0		0		0	
Test censuses and dress rehearsal	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Oblig.	0	0	0	0	0		0		0	
Data Collection	Pos./BA	38	3,980	20	828	0	0	0	0	0	0
	FTE/Oblig.	45	5,208	18	1,972	0		0		0	
Operations	Pos./BA	296	18,013	175	9,573	0	0	0	0	0	0
	FTE/Oblig.	335	21,590	127	11,160	0		0		0	
Product development and data dissemination	Pos./BA	288	27,255	279	23,638	0	0	0	0	0	0
	FTE/Oblig.	394	30,380	265	25,951	0		0		0	
Promotion and outreach	Pos./BA	0	0	0	0	0	0	0	0	0	0
	FTE/Oblig.	0	0	0	0	0		0		0	
Statistical research and evaluation	Pos./BA	284	12,335	108	5,300	0	0	0	0	0	0
	FTE/Oblig.	333	13,535	86	6,055	0		0		0	
Residential finance survey	Pos./BA	41	1,384	15	695	0	0	0	0	0	0
	FTE/Oblig.	33	1,409	11	730	0		0		0	
Total	Pos./BA	1,082	72,598	722	49,100	0	0	0	0	0	0
	FTE/Oblig.	1,264	82,289	615	55,395	0	0	0	0	0	0
Adjustments for:											
Recoveries of Prior year obligations			(6,677)		(4,404)		(4,000)		(4,000)		
Unobligated balance, start of year			(4,905)		(1,891)						
Unobligated balance, end of year			1,891		0						
Transfer to Salaries and Expenses			0		2,936						
Appropriation		1,082	72,598	722	52,036	0	(4,000)	0	(4,000)	0	0

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Demographic statistics programs
Subactivity: 1990 Decennial census

In FY 1994, there are no funds requested for the 1990 decennial census. However, we expect to recover an estimated $4 million from prior year obligations.

Specific 1994 Base obligations changes to the 1993 Appropriation (Obligations), (dollars in thousands): (-$55.4 Million, -615 FTE). FY 93 is the last year of the ten year cycle for the 1990 decennial census. This year marks the completion of all activities for the 1990 decennial census.

We will complete the production and release of all 1990 decennial census data products and maps, including those for Puerto Rico and the Outlying Areas. We will produce and release:

- the remaining summary tape files, which provide data on ZIP Codes, Congressional Districts of the 103rd Congress, census tract/block numbering areas, and places of 2,500 or more population;

- a variety of sample data products, including the Public Use Microdata Files, specialized population and housing subject files and printed reports, the County-to-County Migration Files, and specialized printed reports for American Indian and Alaska Native areas, Metropolitan Areas, and other areas;

- two major printed reports containing 100-percent and sample data for Congressional Districts of the 103rd Congress and Census Tracts/Block Numbering Areas; and

- maps required to accompany the data products-- these maps are produced in two forms: (1) electrostatically plotted paper maps, (about 650 thousand map sheets in FY 1993), and (2) negatives required to produce maps in the printed reports, including maps for the Congressional Districts of the 103rd Congress.

We also will complete our evaluation programs on the major census operations and the quality of the census. These programs include the evaluation of coverage improvement activities, the impact of errors from data collection and processing activities on data quality, and of the quality and accuracy of the geographic assignment, as well as coverage for housing units.

We will complete the production and release of all data products and micro data files providing data on financing of non-farm, privately owned residential properties from the Residential Finance Survey.

Exhibit 10

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: Demographic statistics programs
Subactivity: Decennial census

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
2000 Research and Development and 1995 Census Test	Pos./BA	102	$10,055	161	$13,000	317	$19,288	337	$20,670	20	$1,382
	FTE/Obl.	111	9,441	162	13,750	274	19,288	290	20,670	16	1,382
Decennial Operational Preparation	Pos./BA	0	0	0	0	0	0	33	2,452	33	2,452
	FTE/Obl.	0	0	0	0	0	0	26	2,452	26	2,452
Total	Pos./BA	102	10,055	161	13,000	317	19,288	370	23,122	53	3,834
	FTE/Obl.	111	9,441	162	13,750	274	19,288	316	23,122	42	3,834
Adjustments for:											
Recoveries of prior year obligations			(3)		(34)						
Unobligated balance, start of year			(99)		(716)						
Unobligated balance, end of year			716								
Sequester											
Transfer to Salaries and Expenses											
Appropriation	Pos.	102	10,055	161	13,000	317	19,288	370	23,122	53	3,834

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Exhibit 12

Activity: Demographic statistics programs
Subactivity: Decennial census

Goal Statement

The goals of the decennial census are to provide official population counts mandated for apportionment of the U.S. House of Representatives and redistricting for the state legislative bodies; and to provide comprehensive and accurate population and housing statistics for both political and statistical areas and for the Nation.

We will explore more cost efficient ways to take the census, concentrating on producing accurate, high quality data for the nation. We will explore options of both profound changes and evolutionary ones, some as the result of evaluations of the 1990 decennial census.

Objectives:

The objectives of the decennial census subactivity in this early part of the decade are to investigate ways to reduce the cost, improve coverage, and to reduce (or redistribute throughout the decade) some of the enormous workload of the decennial census.

Specifically, the Census Bureau will attempt to:

- Improve the cost effectiveness of demographic and housing data collection efforts.
- Reduce and simplify the work in the basic decennial census and lessen its logistical requirements.
- Achieve appropriate levels of accuracy for the data.
- Take advantage of new technology that would improve cost effectiveness.
- Ensure that respondent burden levels are reasonable given the value of the data collected.
- Improve the manageability of the entire decennial census process.
- Diversify and reduce the risks now centralized in one large operation conducted only once a decade.

Background

History shows that the Census Bureau has pioneered the development and use of new methods and technologies to produce more timely and accurate data. We developed and used the Hollerith punch card, the first data processing system for the 1890 census; became the first to use a computer for the 1950 census; developed an optical scanning of microfilm for the 1960 census, changed to questionnaire mailing for the 1970 census, and developed the computer-generated TIGER map system for the 1990 census.

The Census Bureau, Department of Commerce, Office of Management and Budget, General Accounting Office, and Congress (House Report 99-669) recognize that an earlier start for research and analysis for the decennial census is necessary. The decennial census is a highly complex and unique undertaking. Social, demographic, and economic changes, such as shifts in composition of the Nation's labor force, and changing living arrangements will necessarily call for some changes in the conduct of the next census. Experience has shown that longer lead times are required to fully test and evaluate program design options for data collection and processing. The associated computer technologies that support the census design also require lengthy procurement and implementation processes.

The decennial census design activity is guided by the Under Secretary for Economic Affairs who established a Task Force to coordinate design activities within the Economics and Statistics Administration. The decennial census design and policy matters are under the supervision of the Deputy Under Secretary for Economic Affairs and the technical matters are under the supervision of the Director of the Bureau of the Census. The Census Bureau staff provides support for the design effort, under the immediate supervision of the Associate Director for Statistical Design, Methodology, and Standards. We define the scope and content of the fundamental review of the decennial census process, and organize assessments of the need for and feasibility of options and innovations. These options may include profound changes, and will certainly include changes resulting from 1990 experience and evaluation of the 1990 census. Census Bureau staff explores behavioral and societal trends affecting various alternatives, and analyzes relative costs and benefits of those alternatives. We consult and coordinate these efforts with Department of Commerce officials and other Executive branch agencies, and provide an opportunity for input and review by outside groups and census data users.

We are continuing planning efforts for the decennial census, and are examining innovative changes to meet future challenges and to test the effects of those changes on cost, coverage, quality, and timeliness. Planning for and procuring automated systems require great lead times. House Appropriation Report 99-669, in particular, suggests that research and development begin early on future census automation systems.

Preliminary testing of innovations started earlier, since far reaching changes are being considered, and we need to allow time for sufficient analysis of results. Lastly, early preparations are necessary to gain consensus among the various users and agencies dependent on decennial census information, and to allow time for any necessary legislative review.

Base program

In FY 1993, we will continue coordination and assessment of the use of administrative records and modeling and estimating techniques to supplement census data. The early research into new automation techniques will also continue. We will continue to conduct questionnaire design research and field testing which focuses on improved response to the census. We will simulate the results of sampling for various operations, and examine the effects of sampling on census operational schedules, workload and nonsampling error. We will develop and evaluate special methods and techniques for various geographic areas and subpopulations that present unique and unusual requirements. We will prepare benefit/cost studies of feasible alternatives. Clearly, the cost of future censuses must be contained while providing necessary information in an accurate and timely manner. We will validate and improve preliminary cost estimates. Also, we will evaluate proposed changes using a variety of criteria. By the end of FY 1993, an intensive program of technical research, small scale field tests, and policy considerations will result in selecting features testing in FY 1995. For features not selected for the 1995 test, we will recommend further action if they are feasible for censuses after the year 2000.

The analysis of census designs is based on census characteristics or "features." They are the "who, what, when, where, why, and how" of a census. While there may be many features in a census, not all are critical to define a census design. The census features are grouped into two categories, "Important to Defining and Selecting Designs" and "Important for All Designs." For example, all designs require us to process census data and there are many ways to do this. We want to do the processing the way that best fits a particular design; that is, the design would dictate the processing system, not the other way around. Also, there are other features that affect all designs, rather than define designs. For example, we need to decide for all designs where each person should be counted, such as a person with two homes.

The fundamental features under consideration, and around which our activities and projects are constructed, are categorized as those important to defining and selecting designs and those important to all designs.

The features important to defining and selecting designs are: Data Collection Outside the Decennial Year; Administration of Data Collection; Content; Use of Lists; Primary Response Options; Nonresponse Followup; Sampling for the Count; Sampling for Content; and Statistical Estimation. The features which are important to all designs are: Methods to Compile Lists; Data Collection Methods; Timing; Data Collection Period; Who and Where to Count; Approaches to Measure Coverage; Stakeholder Consultation, Education, and Motivation; Special Techniques; Data Capture/Processing; and Data Products Form.

In FY 1994, we will focus on refining the decennial census features that we will test in 1995.

2000 Research and Development and 1995 Census Tests. The 2000 research and development (R&D) programs and 1995 census test are organized around the fundamental features of the census. Some of these features are important to define and select designs; others are important for all designs. Corresponding to each option is a set of projects that will determine its feasibility and cost efficiency.

A brief discussion of each R&D program component used to examine census features and designs is below. The specific 1994 Base obligations changes to the 1993 appropriation (obligations), (dollar amounts in thousands) are also discussed; this amount includes estimated recovery of prior year obligations of $34 thousand.

I. Sources of Change: Opening the Planning Process to External Influences. These activities are essential to assure that the process for designing the 2000 census allows consideration of external needs, ideas, and expertise.

I.A. Task Force Activities. We support, at the Bureau of the Census and the Department of Commerce, the three committees of the Task Force which steer the design effort for the 2000 census. The official date for the Task Force to make its recommendations for potential designs is January 1, 1995, though we would like to be able to reach many conclusions considerably sooner.

(-$105; 0 FTE). In 1994, we can and will reduce the number of Task Force meetings from the 1993 level, and reduce interactions between the Task Force and other stakeholders.

I.C. Customer Needs and Expectations. Plan and execute activities to gather information from stakeholders on data requirements and uses of census data to inform 2000 census program development.

($0; 0 FTE). At the end of FY 1992, we discontinued plans to systematically document the likely new and changing data needs based on contacts with the data user community.

I.D. Contacts with State and Local Governments. We will interact with national organizations for state and local governments.

(+$100; +2 FTE). At the end of FY 1992, we discontinued the development of a detailed plan of direct contacts between the Census Bureau and State and local governments. In FY 1994, we will continue interactions with national organizations.

II. Design Options for a New Census. These four areas of research support key features of potentially new census designs and are particularly subject to uncertainties in the developmental path.

II.A. Administrative Records for Coverage and Other Census Improvements. We will continue to do research and to develop an administrative records support system design adequate to meet the need of the 1995 test. This will include the matching research and limited file importation and standardization components to support records, persons, and questionnaires unduplication and identification of missed persons. We will continue the identification of records to target known enumeration problems such as identifying Tribal Rolls and local welfare files and other at risk populations. We will continue to maintain the Administrative Records Information System (ARIS), cataloguing Federal and State administrative records systems.

(+$2,218; +38 FTE). In FY 1994, we will increase matching research and developmental work to support the 1995 census test. This includes research on the use of matching keys beyond just a person's residence address to develop matching procedures that will allow the Bureau of the Census to make use of person-based administrative records files that do not have a current residential address. To reduce the undercount in the 2000 census, it is critical to create the ability to use person-based files that do not always have a current residence address as defined by the census residency rules. These procedures must be developed in FY 1994 so they can undergo testing as part of the 1995 testing program.

II.B. Various Uses of Sampling. We will continue research on various technical and policy issues associated with 1) conducting the entire census on a sample basis, and 2) conducting only the nonresponse followup portion of the census on a sample basis. The issues include those of optimal sample design, reliability of the estimates, legality, acceptability, and operational feasibility. Designs for content sampling will be completely developed in FY 1994, and may include the use of multiple forms for the collection of content data (matrix sampling) or a two-stage approach of collecting reapportionment and redistricting data first and other data at a later time.

(+$56; +12 FTE). We will increase cost effective methods of analytical testing for: coverage measurement methods; nonresponse followup sampling; matrix sampling (using 1990 data files to explore weighting and estimation issues) and technical and operational issues surrounding continuous measurement systems, while reducing more costly data collection tests.

II.C. Simplified Questionnaire and Content. We will continue research possibly including small-scale mailout or telephone interview tests of ways to improve questionnaire design, wording, and length. The specific activities will depend on results from earlier research (such as the 1992 Simplified Questionnaire Test; data needs identified by the Policy Committee and other stakeholders; research on data capture and processing technologies; and so on). We will complete analysis of FY 1992-1993 research on the distribution and use of 1990 census data, and make recommendations regarding census content that are consistent with the 1995 test census.

(+$152; 0 FTE). We will increase researching and testing on how the improvement of the questionnaire user friendliness, and other factors will affect mail response rates. This includes different statements about the mandatory and confidential nature of the census.

II.D. Technology to Collect and Process Data. We will examine the possibilities of automation technology to increase the number of modes by which the public can respond to the census. To this end we will continue to update forecasts of public access to and market penetration of household-based technologies such as personal computers, telephone service (touch-tone), facsimile machines, computer networks, interactive cable TV, and the like. We will continue research and development to maintain and upgrade the 1990 Decennial Data Capture System (FACT90/FOSDIC) to current electronic component technology and produce a new image processing-based research prototype system to transition toward a Decennial Capture System for 2000 (DCS2000). We will perform functional and operational analyses based on benchmark data from the technology prototype models to scale the number and types of systems required to support capture and processing in the 1995 decennial census test. The results of these analyses will be the basis for developing requirements initiatives that begin the system acquisition process for the 1995 census tests.

(-$269; -8 FTE). In FY 1994, we will finalize the software development for census-like capture functions and their testing using real census data from 1990. We will begin functional and operational analysis to determine systems for the 1995 tests; begin the design, testing, and evaluation of executive and management information systems for command and control; implement small scale field tests of data capture and processing technologies; procure capture and processing systems to support the 1995 tests. We completed initial examination of research prototypes for voice recognition and video text services; and pen-based computer technology.

III. Options to Adapt to a Changing Society. These activities will allow us to determine how to adapt census taking methods to the society of 2000. They underlie all major design options under consideration.

III.A. Census Rules Modification. We will document problems with residency rules, determine changed residency situations, and research better ways to apply residency rules to improve coverage.

(-$342; -5 FTE). We will stop work at the end of FY 1993 on documenting problems with residency rules, determining changed residency situations, researching better ways to apply residency rules, and researching ways to improve within-household coverage.

III.B. Special Methods for Special Areas and Subpopulations. We will continue research and testing on methods to overcome the barriers to enumeration for selected population groups and geographic areas. This will include new or improved procedures for questionnaire delivery and data collection methods in large urban areas, improve enumeration methods for American Indian reservations, investigation and evaluation of the completeness of lists for group quarters, research on the enumeration of the homeless population in daytime situations, and exploration of enhancements of the Parolee/Probationer Program, and possible use of other administrative record sets to supplement enumeration.

(+$569; +15 FTE). In FY 1994, we will finalize work which documents the risks and benefits of new or improved motivational methods to increase public response, and the effectiveness of low-tech options for improving coverage.

III.C. Race and Ethnicity Studies. We will conduct extensive consultations with stakeholders on the race and ethnicity research program. The research program will be defined based on analysis of 1990 results during FY 1993. We will also conduct focus group testing and begin planning field tests.

(+$155; +2 FTE). In FY 1994, we will begin to conduct stakeholder consultations; and conduct focus groups testing on possible wording changes to the questions.

IV. Changes to Components Common to all Designs. These areas complement all design options under consideration. We need to address them along with the design options to determine how they interact with all alternatives.

IV.A. Address List Maintenance. We will complete an analysis of rural address conversion and participate in research on local government involvement in address list improvement. We will test USPS approved software for cleaning and improving mailing lists. Work will continue on developing plans for evaluation of a Master Address File.

(-$453; -6 FTE). We will complete evaluation of the 1990 local review program participation by the end of FY 1993.

IV.B. TIGER Support for the Decennial Census. Determine the extent and reason for inconsistencies between the TIGER database and the Address Control File from the 1990 census.

(-$419; -7 FTE). In FY 1993, we will complete work on the determination of the extent and reasons for inconsistencies between the TIGER database and Address Control File from the 1990 census, which supports the goal of a permanent address list.

IV.C. Public Motivation. We discontinued activities to monitor and document economic and societal trends which may affect 2000 response rates; document the costs and benefits of paid versus pro bono advertising; and determine the most effective methods to develop and disseminate materials for the stakeholders consultation, education and motivation program.

(-$255; -4 FTE). In FY 1993, we stopped work on the quantitative prediction of mail response rates.

IV.D. Cost Modeling, Operations Research, and Decision Support. We will develop specific modeling and analysis related to the 1995 census test, and complete the integration of workflow, staffing, and cost data with logistics planning and implementation, and continue the use of computer models and operations research in our goals for a cost effective census.

(+$126; +3 FTE). In 1993, we will complete work on the analysis of costs of some census design alternatives; and discontinue the analysis of costs for alternative data capture and processing technologies, cost estimates for expanded content, and a cost benefit analysis of household-based technologies.

Preparing the Infrastructure for the Decennial Census. Early research and development will identify various promising design alternatives. The 1995 census test program will allow fully integrated tests of the various design, components and technologies in an actual census environment.

V.A. Content Planning and Testing . Conduct early developmental work on content issues for the 1995 Census test.

($0; 0 FTE). We have stopped early developmental work on content issues within the Research and Developmental Program.

V.B. 1995 Census Test Program. We will begin preparation for the 1995 Census test in order to select the features that we will use for the decennial census.

(+$4,005; +70 FTE). In FY 1994, the 1995 census test activities increase from preliminary studies and planning to the full scale preparatory level program. We will complete questionnaire content determination and continue with the OMB clearance process for the mailing packages. We will analyze a data base of population characteristics by geographic area to make selections of test sites. We will determine evaluation program objectives for the test and begin to design the samples of households required to meet those objectives. We will establish contract vehicles for and begin the construction of test production systems for data capture and processing based on our research prototype models. We will determine the objectives for and design the stakeholders consultation, education and motivation program for the test. We will conduct operational workflow analyses and determine workforce requirements. We will develop procedures, manuals, training guides, and forms required for the data collection and processing operations.

The Program Components, Table 1, identifies major program areas of research and development for the 2000 census. The program areas are divided into major categories, and display the funding associated with each. Contracting activities are spread throughout each program component.

TABLE 1

Decennial Census Program Components
FY 1994 Total Request
(Dollar amounts in thousands)

		Base		Increase		FY 1994 Request	
		Amount	FTE	Amount	FTE	Amount	FTE
2000 Research and Development and the 1995 Census Test							
I.	Sources of Change: Opening the Planning Process to External Influences	567	7	0	0	567	7
I.A.	Task Force Activities	467	5	0	0	467	5
I.B.	Contracting Activities	0	0	0	0	0	0
I.C.	Customer Needs and Expectations	0	0	0	0	0	0
I.D.	Contacts with State and Local Governments	100	2	0	0	100	2
II.	Design Option for a New Census	10,907	140	0	0	10,907	140
II.A.	Administrative Records, Modeling, and Estimation	4,248	64	0	0	4,248	64
II.B.	Various Uses of Sampling	1,667	28	0	0	1,667	28
II.C.	Simplified Questionnaire and Content	1,526	25	0	0	1,526	25
II.D.	Technology to Collect and Process Data	3,466	23	0	0	3,466	23
III.	Options to Adapt to a Changing Society	2,491	36	0	0	2,491	36
III.A.	Census Rules Modification	0	0	0	0	0	0
III.B.	Special Methods for Special Areas and Subpopulations	1,919	27	0	0	1,919	27
III.C.	Race and Ethnicity Studies	572	9	0	0	572	9
IV.	Changes to Components Common to All Designs	1,318	21	0	0	1,318	21
IV.A.	Address List Maintenance	539	6	0	0	539	6
IV.B.	TIGER Support for the 2000 Decennial Census	0	0	0	0	0	0
IV.C.	Public Motivation	0	0	0	0	0	0
IV.D.	Cost Modeling, Operations Research, and Decision Support	779	15	0	0	779	15
V.	Preparing the Infrastructure for the 2000 Decennial Census	4,005	70	1,382	16	5,387	86
V.A	Content Planning and Testing	0	0	0	0	0	0
V.B.	1995 Census Test Program	4,005	70	1,382	16	5,387	86
V.C.	Other Census Tests	0	0	0	0	0	0
V.D.	Automated Data Processing Systems Acquisition	0	0	0	0	0	0
V.E.	Dress Rehearsal Planning	0	0	0	0	0	0
	Total, 2000 Research and Development and 1995 Census Tests	19,288	274	1,382	16	20,670	290
Decennial Operational Preparation							
VI.	Decennial Operational Preparation	0	0	2,452	26	2,452	26
	Operational Preparation	0	0	2,452	26	2,452	26
	Total, Decennial Operational Preparation	0	0	2,452	26	2,452	26
Total FY 1994 Estimate, Decennial Census		19,288	274	3,834	42	23,122	316

Exhibit 13

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
INCREASES FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increases	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
2000 Research and Development and 1995 Census Test	Pos./BA	317	$19,288	337	$20,670	20	$1,382
	FTE/Obl.	274	19,288	290	20,670	16	1,382
Decennial Operational Preparation	Pos./BA	...	...	33	2,452	33	2,452
	FTE/Obl.	...	...	26	2,452	26	2,452

1995 Census Test Program (20 Permanent positions, 16 FTE, $1,382,000). In FY 1994, we will design and develop the automated systems required to conduct the test census operations, including data collection systems. We must develop the administrative systems, procedures, and forms required to hire and pay the temporary census staff. Conducting the test census also will require the establishment of local test offices, and the design of questionnaires and associated public use forms. The decision date for selecting the design features for the 1995 test census requires that all of these activities be accomplished on a very compressed time schedule, which will require a resource intensive effort. Completion of these activities is critical to conducting the test census and evaluating the results in a manner that provides timely and comprehensive data necessary to select the 2000 census design.

Decennial Operational Preparation (33 Permanent positions, 26 FTE, $2,452,000). FY 1994 is the first year of the cycle for operational preparation for the 2000 decennial census. The focus of these activities is on the preparatory work required for the census regardless of the design. These activities are independent of the research and development program.

For any census, unique requirements exist for presenting data for meaningful political areas (such as voting districts, American Indian Reservations), statistical areas (such as census tracts, block numbering areas, urbanized areas), and administrative areas (such as ZIP codes). These programs, which involve working with the 50 states and the District of Columbia, and a wide range of local officials across the country, require a long lead time to ensure their completion in time for initial census operations.

We must begin to plan our processing systems for the 2000 census, including determining the extent of decentralization of processing and its integration with data collection activities to ensure an efficient field structure. Starting this developmental work in FY 1994 is essential to the decisions required on the procurement of automation hardware and design/requirements for development of supporting software.

We must begin the development/planning of programs required to test and assess alternative questions, categories, and wording for the census questionnaire in FY 1994. This work is critical to ensuring that we meet our legal requirement for submitting questionnaire items.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE PERSONNEL DETAIL

Exhibit 14

Activity: Demographic statistics programs
Subactivity: Decennial Census
Program Change: 1995 Census Test Program

Title:		Grade	Number	Annual Salary	Total Salaries
Math Statistician		15	1	$66,609	$66,609
Survey Statistician		14	3	56,627	169,881
Computer Systems Analyst		14	3	56,627	169,881
Math Statistician		14	2	56,627	113,254
Survey Statistician		13	2	47,920	95,840
Computer Systems Analyst		13	1	47,920	47,920
Geographer		13	2	47,920	95,840
Math Statistician		12	1	40,298	40,298
Survey Statistician		12	1	40,298	40,298
Computer Programmer		12	1	40,298	40,298
Geographer		12	2	40,298	80,596
Math Statistician		7	1	26,502	26,502
Total			20		987,217
Less lapse	25.00%		4		246,804
Total full-time permanent			16		740,413

Personnel Data	
Full-Time Equivalent Employment:	
Full-time permanent	16
Other than full-time permanent	0
Total	16
Authorized Positions:	
Full-time permanent	20
Other than full-time permanent	0
Total	20

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 15

Activity: Demographic statistics programs
Subactivity: Decennial Census
Program Change: 1995 Census Test Program

	Object Class	1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$740
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	740
12.1	Civilian personnel benefits	159
13	Benefits for former personnel	0
21	Travel and transportation of persons	28
22	Transportation of things	0
23.1	Rental payments to GSA	255
23.2	Rental payments to others	0
23.3	Commun., util., misc. charges	0
24	Printing and reproduction	23
25	Other services	116
26	Supplies and materials	27
31	Equipment	34
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	1,382

Exhibit 14

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE PERSONNEL DETAIL

Activity: Demographic statistics programs
Subactivity: Decennial Census
Program Change: Decennial Operational Preparation

Title:		Grade	Number	Annual Salary	Total Salaries
Math Statistician		15	1	$66,609	$66,609
Survey Statistician		14	5	56,627	283,135
Computer Systems Analyst		14	5	56,627	283,135
Math Statistician		14	5	56,627	283,135
Survey Statistician		13	3	47,920	143,760
Computer Systems Analyst		13	3	47,920	143,760
Geographer		13	2	47,920	95,840
Math Statistician		12	1	40,298	40,298
Survey Statistician		12	2	40,298	80,596
Computer Programmer		12	2	40,298	80,596
Geographer		12	1	40,298	40,298
Program Analyst		12	1	40,298	40,298
Secretary		5	1	20,173	20,173
Clerk Automation		4	1	18,577	18,577
Total			33		1,620,210
Less lapse	25.00%		7		405,053
Total full-time permanent			26		1,215,158

Personnel Data	
Full-Time Equivalent Employment:	
Full-time permanent	26
Other than full-time permanent	0
Total	26
Authorized Positions:	
Full-time permanent	33
Other than full-time permanent	0
Total	33

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 15

Activity: Demographic statistics programs
Subactivity: Decennial Census
Program Change: Decennial Operational Preparation

	Object Class	1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$1,215
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	1,215
12.1	Civilian personnel benefits	242
13	Benefits for former personnel	0
21	Travel and transportation of persons	73
22	Transportation of things	1
23.1	Rental payments to GSA	595
23.2	Rental payments to others	0
23.3	Commun., util., misc. charges	0
24	Printing and reproduction	41
25	Other services	100
26	Supplies and materials	70
31	Equipment	115
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	2,452

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Sample redesign
Subactivity: Sample redesign

Line Item		1992 Actual Personnel	1992 Actual Amount	1993 Currently Available Personnel	1993 Currently Available Amount	1994 Base Personnel	1994 Base Amount	1994 Estimate Personnel	1994 Estimate Amount	Increase/ (Decrease) over 1994 Base Personnel	Increase/ (Decrease) over 1994 Base Amount
Sample redesign	Pos./BA	106	$7,567	147	$10,765	185	$13,048	185	$13,048	0	$0
	FTE/Obl.	122	7,275	279	11,539	389	13,048	389	13,048	0	0
Total	Pos./BA	106	7,567	147	10,765	185	13,048	185	13,048	0	0
	FTE/Obl.	122	7,275	279	11,539	389	13,048	389	13,048	0	0
Adjustments for:											
Recoveries of prior year obligations			0		(289)						
Unobligated balance, start of year			(193)		(485)						
Unobligated balance, end of year			485								
Sequester					309						
Transfer to Salaries and Expenses											
Appropriation	Pos.	106	7,567	147	11,074	185	13,048	185	13,048	0	0

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Exhibit 12

Activity: Sample redesign
Subactivity: Sample redesign

Goal Statement

The goal of Sample Redesign is to improve sample efficiencies and maintain confidence in the major Federal socioeconomic indicators.

Objectives:

The objectives of this subactivity are to investigate and modify the sample design of major current surveys, improving the quality of data and the cost effectiveness of the sample selection, collection, tabulation and dissemination processes.

Base Program

The Sample Redesign supports all the Federal Government's principal household surveys. The Census Bureau conducts major household surveys that provide the official measurements of income and poverty, unemployment, health, and crime, as well as a variety of information on topics such as education, migration, and participation in Federal support programs. Sample Redesign keeps those surveys current, therefore, the data should reflect the demographic characteristics of the population. Sample Redesign is expected to produce efficiency gains over a ten year period for the major current demographic surveys based on the 1990 census.

The surveys include the Current Population Survey (sponsored by the Census Bureau and the Bureau of Labor Statistics), American Housing Survey (Department of Housing and Urban Development), National Health Interview Survey (National Center for Health Statistics), Consumer Expenditure and Point of Purchase Surveys (Bureau of Labor Statistics), National Crime Survey (Department of Justice), Survey of Income and Program Participation (Census Bureau), and Housing Vacancy Survey (Census Bureau).

Specific 1994 Base Obligations Changes to the 1993 Appropriation (Obligations), (dollar amount in thousands):

(+$1,509; +110 FTE) This amount includes estimated recoveries of prior year obligations of (-$289). Activities that started in FY 1993 and will continue in FY 1994 include visiting building permit offices to list addresses for housing units constructed since the 1990 decennial census; writing the sampling procedures to be used by the field clerks and field interviewers, computer selecting of addresses from the 1990 decennial census files for the Consumer Expenditure and Point of Purchase Surveys; recruiting and training new field interviewers for Consumer Expenditure, Point of Purchase, and the American Housing Surveys; and preparing area segments for National Health Interview, National Crime Victimization, American Housing, Survey of Income and Program Participation, and Point of Purchase surveys.

In FY 1994, the base funding change provides for the interaction of the survey automation system with sample redesign and the initial work of the redesign of the Survey of Construction.

The interaction of the automation system requires coordinating the sample redesign planning, system development and implementation with the planned automation of our data collection system. The surveys are being automated sequentially. This entails dual planning, additional systems to develop and dual processing. Sample redesign systems, files and sampling procedures must be compatible with an automated system for its efficient implementation.

The Survey of Construction is a leading source of data on residential construction that includes housing starts and sales of new one family houses. This survey was not included as one of the base surveys in the original sample redesign.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Geographic support
Subactivity: Geographic support

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Geographic support	Pos./BA	167	$8,462	200	$12,283	286	$17,962	381	$23,962	95	$6,000
	FTE/Obl.	210	9,311	204	13,161	296	17,962	368	23,962	72	6,000
Total	Pos./BA	167	8,462	200	12,283	286	17,962	381	23,962	95	6,000
	FTE/Obl.	210	9,311	204	13,161	296	17,962	368	23,962	72	6,000
Adjustments for:											
Recoveries of prior year obligations			(14)		812						
Unobligated balance, start of year			(2,525)		(1,690)						
Unobligated balance, end of year			1,690								
Sequester											
Transfer to Salaries and Expenses					1,136						
Appropriation	Pos.	167	8,462	200	13,419	286	17,962	381	23,962	95	6,000

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Geographic support
Subactivity: Geographic support

Goal Statement

The goal of Geographic Support is to provide the basic maps, reference files, geographically-assigned (geocoded) address lists, and associated processing systems needed to meet the geographic requirements of all periodic censuses and programs, as well as the special censuses, current sample surveys, and population estimates programs. Additionally, the Topologically Integrated Geographic Encoding and Referencing (TIGER) data base (the central component of the geographic support system) provides geographic products that are useful to the Census Bureau's external customers.

Objectives:

The objectives of Geographic Support are to portray accurately the boundaries of all legal, administrative, and statistical areas for which the Census Bureau tabulates data, along with the roads and relevant map features required for data analysis and field operations; to document the relationships among the types of geographic areas for which the Census Bureau tabulates data; to apply automated methodologies to provide these geographic support services; and, to cooperate with the U. S. Geological Survey (USGS) in accordance with revised Office of Management and Budget (OMB) Circular A-16 to avoid duplication of Federal efforts in map automation.

Base Program

The automation of the Geographic Support subactivity assists the Census Bureau in achieving its goals of controlling costs and improving the timeliness of the information it provides from its periodic programs, current sample surveys, and other statistical activities. The availability of a complete, nationwide TIGER data base provides the capability for efficient production of high quality maps, rapid assignment of residential and business addresses to the correct geographic locations, efficient design of sample surveys, and automation of selected aspects of the Census Bureau's data collection, processing, and dissemination processes.

The Census Bureau will resume its annual updating of the TIGER data base to depict correctly the legal boundaries of all counties as well as selected incorporated places and minor civil divisions; correct boundaries are required for the tabulation of data in the Census Bureau's various statistical programs: the decennial census; the economic, agriculture, and governments censuses; the post-1990 sample survey redesign operations; the innovative activities associated with the 2000 decennial census research and development programs; the special censuses; the intercensal population estimates program, and all future Census Bureau statistical programs. The Census Bureau gathers the information needed for this purpose from appropriate state and local officials who submit map changes and supporting information to document legally adopted annexations, detachments, new incorporations, and disincorporations.

The response rate for this Boundary and Annexation Survey normally exceeds 95 percent; nearly half of the participating governmental units report one or more changes. Using the locally provided information, the Census Bureau will integrate the changes into the TIGER data base to further improve its capability to classify the geographic locations of housing units, farms, and economic establishments according to the data tabulation requirements of each program. This information also will permit the Census Bureau to produce the maps that data users require to use the Census Bureau's statistical data products effectively, including the state and local officials involved in redistricting activities.

The Census Bureau will continue to evaluate the standards and criteria it uses to establish the basic statistical areas that are an essential component of the overall geographic framework used to prepare data tabulations in several of its major statistical programs: these areas include census tracts, block numbering areas, block groups, census designated places, special economic urban areas, census county divisions, and urbanized areas. To do this, staff will compile documentation of both Census Bureau and data user experiences with the geographic products and services provided in conjunction with the 1987, 1990, and 1992 censuses. Based on these discussions and evaluations, the Census Bureau will propose changes in these definitions for the decennial census and other applicable statistical programs. The Census Bureau also will continue to determine how it can improve the utility of its geographic products and services, especially for those using TIGER technology and the numerous statistical data sets in the rapidly emerging field of geographic information systems (GIS).

Specific 1994 Base Obligations changes to the 1993 Appropriation (Obligations), (dollar amounts in thousands):

(+$4,801; +92 FTE) This amount includes estimated prior year recoveries of (+$812). The Census Bureau will continue to improve and update the capabilities of its automated geographic and cartographic production systems. Specifically, the base obligations change will:

- Expand the Census Bureau's ongoing cooperative programs and arrangements with other Federal and state agencies, as well as regional and local governments, to share digital geographic (spatial) data. These cooperative efforts will reduce duplication of activities and costs for all participants. (For example, the Census Bureau is working with the National States Geographic Information Council to develop mechanisms to share digital geographic data).

- Support the geographers in the Census Bureau's regional offices as they coordinate expansion of the cooperative programs and agreements to share digital geographic data.

- Develop "open system" software that is portable among all computer systems the Census Bureau plans to acquire. This software will support the Census Bureau's efforts to exchange digital geographic data with other Federal, state, and local agencies because it will ensure that the TIGER System functions in numerous computer environments.
- Replace hardware that is obsolete. The Census Bureau purchased some of the hardware currently in use prior to 1987 and much of the remainder for use during the 1990 decennial census. This hardware has reached the end of its life cycle, it is no longer maintained by its manufacturer, and it is not compatible with current open system software standards or future open system software development goals.

Exhibit 13

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
INCREASES FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increases	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Geographic Support.....	Pos./BA	286	$17,962	381	$23,962	95	$6,000
	FTE/Obl.	296	17,962	368	23,962	72	6,000

Enhance the Power of TIGER/Create a Master Address File (MAF) Through Cooperative Partnerships with the USPS and Others (85 Permanent positions, 64 FTE, +$5,500,000) The Census Bureau created two major computer processing systems as part of its 1990 census methodology: a computer-readable geographic data base that contains every road, river, governmental unit and statistical area boundary in the United States (along with the name of and codes assigned to each), and an associated computer file that contains the address of every housing unit included in the 1990 census (along with the number of the 1990 census block in which each address was counted). Because of their comprehensive nature, these computer systems have become national resources.

- The automated geographic data base is named the Topologically Integrated Geographic Encoding and Referencing System, and is known popularly by its acronym, "TIGER." The Census Bureau developed the TIGER data base, the set of computer files at the heart of the TIGER System, in a cooperative project with the U.S. Geological Survey (USGS). In addition to its many uses of the TIGER System in the 1990 census, the Census Bureau uses this national resource to support all major statistical programs it conducts throughout the decade: two economic and two agriculture censuses, the special census program, the redesign and implementation of the current sample surveys, the population estimates program, the 2000 decennial census research and development effort, and the numerous preparatory activities required to conduct the 2000 decennial census. Collectively, these activities involve the Census Bureau in nearly constant use of the TIGER data base. Several other Federal agencies, numerous state and local governments, and many private sector and academic organizations also use the TIGER data base to support their mapping and geographic analysis activities.

- The computer file that contains the address of every housing unit included in the 1990 census is named the Address Control File, and is known by its abbreviation, "ACF." In addition to its use of the ACF in the 1990 census, the Census Bureau uses the ACF as the starting point for selecting housing units for its current sample surveys and as the base from which it makes population estimates and projections. It wants to use an updated version of the ACF to support the 2000 decennial census research and development effort, to make detailed population estimates for small geographic areas, and as the control list for any 2000 decennial census design.

Despite the success with which the TIGER data base and the ACF supported the 1990 decennial census, and continue to support the activities of the Census Bureau's other statistical programs (plus the geographically-based programs of many other agencies and organizations), the lack of investment in activities to update and improve their content result in major deficiencies in both and the relationship between them that limit their potential for even broader application. These deficiencies include the following:

1. Both lack a funded program to update the essential information each contains: Program managers at the Census Bureau considering use of the ACF to support their needs for a current and comprehensive housing unit address list that has each address assigned to the correct geographic location (through a process called geocoding), plus program managers at all agencies and organizations using (and evaluating) the TIGER data base as the geographic foundation for their programs, share a critical concern: How will the Census Bureau keep the valuable information that the ACF and the TIGER data base contain up-to-date in a Nation that adds dozens of new streets and thousands of new housing units to its inventory every day? Everyone involved realizes that the ACF and the TIGER data base retain their value only if the Nation invests the funds required to keep both up-to-date and correct.

   Past map update methods involved numerous uncoordinated information sources that were costly to use, resulted in questionable accuracy, led to coverage inconsistencies among areas, and left the Census Bureau (and other customers for census-related map information) with out-of-date maps for large portions of the United States at the time of each decennial census. Past address list creation and validation methods ignored the fact that most residential addresses have existed in the same location at the time of each recent decennial census and that the U.S. Postal Service (USPS) delivers mail to most of these addresses daily. The Census Bureau has received substantial criticism for these past practices, for not working more closely with the USPS in creating the residential address list for the 1990 census, and for not having a program in place to work with the USPS and other Federal, state, and local agencies that maintain up-to-date address and map information for their own program purposes.

2. Both are increasingly out-of-date and incomplete: We have not made additions, deletions, or corrections to the ACF since the 1990 census. Therefore, the ACF is missing (or incorrectly still includes) the addresses for all housing units constructed (or demolished) since April 1990. The ACF also still includes rural-style addresses that are no longer valid for those housing units that have converted to house number/street name addresses as part of a locally-sponsored emergency service (E-911) expansion program. To correct these shortcomings, all Census Bureau sample surveys still must list their own address updates, the 2000 census research and development program does not have a current address file to support its testing activities, the population estimates program still cannot determine the correct distribution of new housing units within a county, and the 2000 decennial census still is faced with the prospect of being forced to repeat the costly and error-prone address list compilation and validation methodologies of the past.

   Similarly, the TIGER data base is missing all streets added (and incorrectly still includes all streets vacated) since the 1990 census, as well as the street names and address ranges that pertain to each. Where the TIGER data base is missing current and correct street name and address range information (the current situation for more than 15 percent of the housing units in the United States), neither the Census Bureau nor any other public agency or private sector organization can use automated techniques to geographically assign (geocode) the addresses on their lists. These deficiencies limit the Census Bureau's ability to use the TIGER data base in its numerous statistical programs and research activities. Even for those areas in which the automated geocoding capability exists, many local governments complained about address range errors on existing streets that resulted in incorrectly geocoded housing units during the 1990 census; the Census Bureau has not been able to do any work to find and correct these situations.

In addition, most urban streets and many rural roads are mispositioned and/or misshaped in the TIGER data base. As a result, maps produced by the TIGER System are perceived as incorrect and incomplete by Census Bureau staff and local officials. This condition causes many potential TIGER data base update partners and customers (including most participants in the Federal Geographic Data Committee, many state and local government agencies, and large numbers of private sector firms) to question whether the TIGER information is accurate enough for use in their geographic information systems (GIS). The lack of past investment in correcting this condition also limits the Census Bureau's ability to accept and process automatically the digital map files prepared by others.

3. Both lack critical USPS information: The TIGER data base and the ACF contain only outdated 5-digit ZIP Codes, and the TIGER data base has these only in the areas with house number/street name addresses; areas that do not include more than 15 percent of the Nation's housing units. Neither the TIGER data base nor the ACF contains information about the more detailed ZIP+4 Codes and the delivery sequence codes established by the USPS to improve mail delivery operations and cut mailing costs for its customers. In addition, because neither the TIGER data base nor the ACF has its street names and addresses in the standard formats established by the USPS to assure delivery of the mail, more than 2.6 million ACF addresses were undeliverable by the USPS at the time of the 1990 census.

   Most Federal, state, and local agencies, as well as numerous private sector and academic organizations that are major customers for the Census Bureau's statistical data and geographic products, use ZIP Codes as one of their primary geographic units for data analysis. These customers frequently ask why the USPS and the Census Bureau are not working together to improve this situation and provide periodic updates as ZIP Codes change. A further benefit of having ZIP+4 Codes correctly related to 1990 census block numbers would be the potential for greater integration of demographic and economic statistical data; a situation that would increase the value of both data sets to a wide variety of public agencies and private sector organizations.

4. The ACF is not integrated with the TIGER data base: For several good reasons at the time, the Census Bureau did not make the ACF part of the TIGER data base while preparing for the 1990 census. Because the ACF is not integrated with the TIGER data base, current update methods require that the Census Bureau make most street name and address updates and corrections twice; once to the ACF and again (hopefully in exactly the same way) to the TIGER data base. The Census Bureau has not been able to invest any time in developing computer software that will apply each correction to both the ACF and the TIGER data base simultaneously.

In discussing approaches for dealing with these concerns, Census Bureau staff have enunciated the following vision to guide the planning and implementation of methodologies for meeting the geographic support needs in the decade of the 1990s:

To manage, in an automated format, a continuously updated and increasingly accurate map base for the United States and its territories that includes the correct mailing address and geographic location of every housing unit, group quarters, farm, business, and industrial establishment. This computer file consistently will exceed the expectations of the Census Bureau's customers, both internal and external, for current maps and correctly geocoded statistical data. It also will provide complete address lists to serve as the coverage control and sampling frame for approved statistical activities.

To do this, the Census Bureau will seek to build partnerships with other agencies and organizations that share its concern for having current and correct geographic and address information. Doing so will enable the Census Bureau to extend and improve on its earlier geographic and address list processing innovations so that future products and processes will better serve all respondents, customers, and partners.

To implement this vision, the Census Bureau must change its traditional approaches to developing the address lists it uses for its censuses and sample surveys, to updating the geographic information it uses to support those censuses and surveys, and to linking its addresses to the geographic base for purposes of data collection, processing, and tabulation. Doing so will require that the Census Bureau move boldly on several fronts simultaneously:

- First, the Census Bureau will take the information in the ACF--the most comprehensive, geocoded list of residential addresses in existence at the time of the 1990 census--and put that information in a computer data base that is designed to meet the continuous update and other requirements established by the Process Action Team assigned to define the address list content needs of any 2000 decennial census design, as well as the needs for such information in the Census Bureau's other demographic statistical programs. To recognize the significant difference embodied in this new approach, as well as the greatly expanded functions this reconfigured address file will serve, the Census Bureau has named this new national resource the Master Address File, or "MAF" for short.

- Second, the Census Bureau will develop effective methods for working with other agencies and organizations to update the housing unit and group quarters address information stored in the MAF. Members of Congress, along with many state and local government leaders, have criticized the Census Bureau for not using the detailed information available from the USPS; the USPS routinely has its staff, which covers the ground every day to deliver the mail, identify the names of all new streets as well as the addresses and ZIP Codes located along each. The USPS shares the Census Bureau's nationwide scope of operations and its interest in a comprehensive, continuously updated "Delivery Sequence File" (DSF) to support further automation of its mail sorting activities. The USPS also supports the conversion of rural-style addresses to city-style addresses and maintains a computer file called the Locatable Address Conversion Service (LACS) file to equate the old and new addresses. (The USPS invests in these address files to reduce the amount of time its letter carriers must spend sorting the mail in the office each day before they begin their primary task of delivering that mail to their customers; doing so will allow each carrier more time every day to make deliveries.)

  Others have asked why the Census Bureau does not use the address information included in the files of state and local governments and other Federal agencies, as well as those used by the private sector for its various programs. A series of cooperative partnership arrangements, built on the model of the highly successful and continuing cooperative effort between the Census Bureau and the USGS, has great potential.

This is true especially in the vast areas of the United States where the USPS does not have geographically-based delivery points--such as the areas in which it delivers the mail using rural route numbers or post office boxes. Much can be done to make greater use of USPS, state, local, Federal, and private sector address information within the current legal constraints under which each organization operates to protect the confidentiality of the address information it keeps.

- Third, the Census Bureau will change its traditional approach for compiling and validating its residential address list in isolation from the updates it makes to the geographic information in its TIGER data base. The same Process Action Team that defined the MAF requirements also stated that the MAF and TIGER data base either must be integrated into a single file, or linked by new software and processing methodologies, to ensure that every update to one component causes a corresponding update to the other components. For example, if any source reports a new address for the MAF that is on a street (or extension of an existing street) not already included in the TIGER data base, the MAF update must generate a process that culminates in adding the location and name of that street, plus all applicable address ranges and ZIP+4 Codes, to the TIGER data base. Similarly, if a source reports a change in street name to the TIGER data base, the TIGER data base update must generate a process that culminates in changing that street name on all related addresses in the MAF.

- Finally, the Census Bureau will develop new computer software that will implement the new approaches described above, must develop the cooperative partnerships with various Federal, state, and local agencies (and private sector firms, when possible) that have current, accurate, additional, and appropriate information about address updates needed for the MAF and map updates needed for the TIGER data base, and must perform the numerous operational tasks that a nationwide program of this magnitude will entail.

To implement its vision operationally, Census Bureau staff will establish cooperative partnerships that include the following long-term plans and program benefits:

Plan	Benefits
Share the work required to prepare an increasingly complete and accurate MAF and TIGER data base.	Save Federal resources: Investment now will save Federal expenditures to create a Census Bureau address list in future years. USPS staff routinely identify all new addresses and ZIP Codes. Other Federal, state, and local government staff routinely identify the locations of new roads as well as the addresses located along each. By developing methodologies for all agencies to use these resources, the Nation can avoid substantial duplication of activities and costs. Because cooperating partners can provide information of great value, the Census Bureau will not need to request the amount of funds it otherwise would require to do the entire job alone. This proposal includes only the Census Bureau's costs; each cooperating partner already funds its share of the work because that work is something that each partner performs to meet its internal information and schedule requirements.

Plan (cont'd)	Benefits (cont'd)
Continuously update the MAF and the TIGER data base.	Create a MAF linked with the TIGER data base: No longer will the Census Bureau discard the addresses from its last decennial census (the 1990 ACF contains more than 100 million geocoded addresses) nor will it again spend Federal funds to recreate and regeocode a new residential address list using the costly, error-prone methods of the past. New software will prevent the MAF and TIGER data base from diverging in content as they did in the past when updates were applied to one and not the other. The result will be a more complete, correctly geocoded list of housing unit and group quarters addresses that matches more current maps than has been true in any previous census. Periodic USPS updates to the street and address information, based on changes its staff observes during their daily mail deliveries, will provide a much more complete address list than has been available for any previous census. Adding ZIP+4 Codes and USPS standard street name and address information will reduce 2000 census questionnaire mailing costs, improve delivery success, and increase geocoding accuracy. The ZIP+4 Codes also will identify manageable "search areas" for locating new and extended streets that must be added to the TIGER data base; the first two digits of the +4 Code identify a USPS "sector"--a small area staff can use to "target" their acquisition of reference materials. Improving the content and completeness of the MAF and the TIGER data base also will promote greater intercensal uses of these resources for the sample surveys, the population estimates program, the 2000 census research and development efforts, and the 2000 decennial census.
Reduce geocoding errors and questionnaire delivery problems.	Improve address list quality. USPS letter carriers deliver mail daily to virtually every address in the United States. In doing this, they find and correct daily any errors and omissions in their address files because people want their mail delivered right away when they move in; constant use is the best quality assurance tool available. When the Census Bureau uses the "USPS standard" address, street name, and ZIP+4 Code information contained in the USPS address files to update the MAF (and subsequently to update the MAF addresses (and TIGER data base), it will ensure that the MAF addresses (and TIGER data base street names and address ranges) adhere to USPS conventions; this will reduce substantially past levels of geocoding error, questionnaire returns and misdeliveries, and local official complaints about incomplete census counts.

Plans (cont'd)	Benefits (cont'd)
Provide increased opportunities for local official participation in the update of the addresses in the MAF and the features in the TIGER data base.	Update MAF and TIGER using information provided by local officials: To be responsive to local officials who have urged the Census Bureau to use the address lists and digital map files prepared by their governments to support local activities, and to ensure that the MAF and the TIGER data base contain the most complete address and street information available, the Census Bureau intends to ask state and local governments to make available their computerized address lists and digital map files. (The Census Bureau also will make similar requests of other Federal agencies and private sector organizations.) Non-USPS address files will supplement USPS information, especially for areas in which mailing addresses do not describe the location of housing units and within which the USPS delivers mail to post office boxes rather than to dwellings; in the latter areas, matches to the USPS address files will not provide information on all new streets where housing units may be located. Because decennial census data are tabulated according to where housing units and group quarters are located (rather than where mail is delivered) and TIGER-derived maps must depict these streets. The digital map files the Census Bureau acquires from others will be used to determine the geographic location of streets identified as missing from the TIGER data base during MAF matches with various address files.
Reduce to a minimum the number of areas with non-house number/street name addresses.	Support rural address conversion activities: To the extent that house number/street name addresses describe the physical locations of housing units, the job of everyone who needs to locate those housing units is made easier. This is true for Census Bureau staff using such addresses to determine the correct census block in which to tabulate data for a housing unit; they can determine its location without a visit. It also is true for providers of emergency services, the delivery of mail and parcels, and the provision of utility services such as electricity and telephone. (The prospect of having E-911 services provides the impetus for many state, local, and private sector efforts to convert rural-style addresses to city-style systems; the benefits of automated mail sorting provide the impetus for the USPS to adopt them for mail delivery and include them in their DSF). To reduce the number of housing units with rural-style addresses (and the higher operational costs they entail), and to improve 2000 census coverage in these often undercovered areas, the Census Bureau will support the rural address conversion movement by providing procedures, maps, technical answers, and computer processing. In return, the Census Bureau will gain access to the new addresses so that it can incorporate them into the MAF, and any new streets the process identifies into the TIGER data base.

Plan (cont'd)	Benefits (cont'd)
Improve feature positions in the TIGER data base in compliance with the expectations of the Federal Geographic Data Committee (FGDC) and the needs of state and local governments.	Accelerate USGS production of digital orthophoto quadrangles (DOQs): The Census Bureau has a responsibility under the auspices of OMB Circular A-16 to ensure that the feature updates it performs using Federal funds meet positional accuracy standards acceptable to all Federal agencies, as documented by the FGDC. When the Census Bureau created the TIGER data base, it used its GBF/DIME-Files (where they existed) to preserve the wealth of geographic attribute information those files contained; the result is rather poor positional accuracy and shape for many features in urban areas. The Census Bureau also updated the TIGER data base using unverified information received from local officials and sketches made by 1990 census enumerators; this practice led to rather poor positional accuracy and shape for many new features. Both situations resulted in local official complaints about the quality of the 1990 census maps and difficulties for people who want to use the TIGER data base as part of a GIS but require a higher degree of positional accuracy. This deficiency also limits the Census Bureau's ability to match the TIGER data base to the digital map files of others to locate feature updates and share map corrections. The USGS plans to prepare relatively large-scale, highly-controlled, computer-readable aerial photographs (known as DOQs) to update its map base and provide an accurate resource for use by others. Census Bureau financial participation in the DOQ program will allow the USGS to accelerate DOQ production for the very small portion of the United States (estimated to be 5 percent or less of the land area) in which the Census Bureau has the greatest requirement for correcting feature position information; the Nation's urban centers and high growth urban fringe areas. Using the DOQs to reposition existing features (and correctly position new features) in the TIGER data base will ensure compliance with FGDC expectations and the needs of an effective digital map file exchange process.
Link Census Bureau and USPS address formats and geographic units.	Bring decennial and economic data closer together: The addition of ZIP+4 Codes to the MAF (and concurrently to the TIGER data base) will build a linkage between these widely used USPS codes and the Census Bureau's block numbers. Doing so will permit the Census Bureau to perform more detailed (block level) geocoding of most establishments in the economic censuses and many farms in the agriculture census, which in turn will permit reaggregation of the data from these censuses by Congressional District, data tabulations of increasing interest recently. Having both the demographic and economic statistics geocoded to the block level will permit development of correlations among these two essential data sets; this will increase the value of these data to private-sector organizations and public agencies, and will permit these organizations to analyze their customer records in the context of the improved Census Bureau statistical information.

Plan (cont'd)	Benefits (cont'd)
Ensure that current maps and a complete address list are available for the 2000 decennial census.	Provide a complete address list and matching maps by 1998: The creation of a MAF linked with the TIGER data base, and the update of both with the new addresses and streets required for the Census Bureau's statistical programs, must be complete by early 1998 to support any 2000 census design without worrying about the need for "panic" operations compressed into the last two years. In addition, the Census Bureau's sample surveys and population estimates program will have access to the periodic address list and map updates starting in 1996.
Avoid increasing the permanent Federal work force and keep total project costs at a minimum.	Shift more work to temporary/contracted workers: Collecting and processing street, address, and ZIP Code updates is very labor intensive, especially those activities involved with resolving mismatches between various USPS/other Federal/state/local address files and the ACF, MAF, or TIGER data base. The Census Bureau will perform this work using primarily temporary and/or contracted staff, rather than new permanent staff.

In FY 1994, the Census Bureau will create a MAF, link it to the TIGER data base, and begin resolving questions resulting from the creation and linkage operations; to continue (with contractor support) development of the "open system" software required to update both the MAF and the TIGER data base (this new software will eliminate future dependencies on the hardware and operating systems of any particular computer manufacturer or the map and address information of any particular cooperating partner); to support rural address conversion activities; to develop production management systems and clerical procedures that will support the MAF and TIGER data base update operations; and to continue activities required to obtain the additional computer workstations needed to process MAF and TIGER data base updates.

The subsequent four years of this initiative (covering fiscal years 1995-1998) will be used to perform a continuing series of updates that will improve the information content of the MAF and the TIGER data base. This will be done by entering new addresses (house number/street name) and ZIP+4 Codes into the MAF following quarterly matches with the USPS's address files, and matches with the address files of local, state, and other Federal agencies. Each MAF update cycle will be accompanied by automated entry into the TIGER data base of new and revised street names, address ranges, and ZIP+4 Codes identified during the MAF matching process. This process also will include the use of reference materials and digital map files obtained from local and state, governments as well as other Federal agencies, along with the DOQs from the USGS, to correctly locate each new or extended street. In 1995 and 1996, this process will include provision of TIGER maps to all local governments, regardless of their computer capability, for review and update.

The resources requested represent only the Census Bureau's share of the cooperative partnership costs; each cooperating partner already funds its share of the work because that work is something that each partner performs to meet its internal requirements. This initiative request is in addition to the Base Program for Geographic Support; the Base Program provides resources only for collecting and processing the boundaries of "large" governmental entities (counties and incorporated places of 2,500 or greater population), limited updating activities to maintain street information associated with those revised boundaries, routine software development, testing and installation, development of geographic standards, payment of computer equipment service costs and computer software license fees, the acquisition of limited new computer hardware (only what is required to support Base Program operations), and support of the Census Bureau's professional and international geographic training activities.

The stakes are high: Support for a successful series of cooperative partnerships will better support all previously mentioned Census Bureau activities (including any design for the 2000 decennial census).

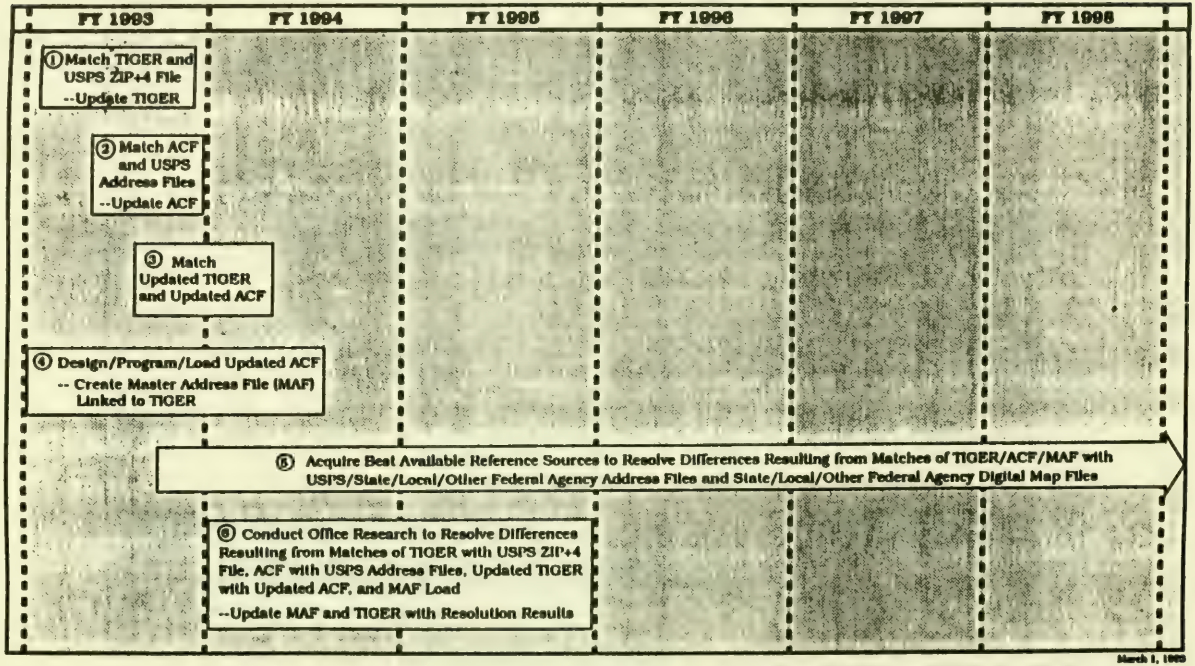
The following charts provide additional information to support this critical cooperative partnerships project:

Charts GS-1/2/3 Major Activities Required to Create/Update a Master Address File (MAF) Linked to TIGER

Chart GS-1

Major Activities Required to Create/Update a Master Address File (MAF) Linked to TIGER

That Will Provide Geographic and Address Information Essential to Supporting the 2000 Decennial Census and the Census Bureau's Other Statistical Programs Plus Meet Its Responsibilities to the Federal Geographic Data Committee



March 1, 1993

Chart GS-2

Major Activities Required to Create/Update a Master Address File (MAF) Linked to TIGER

That Will Provide Geographic and Address Information Essential to Supporting the 2000 Decennial Census and the Census Bureau's Other Statistical Programs Plus Meet Its Responsibilities to the Federal Geographic Data Committee

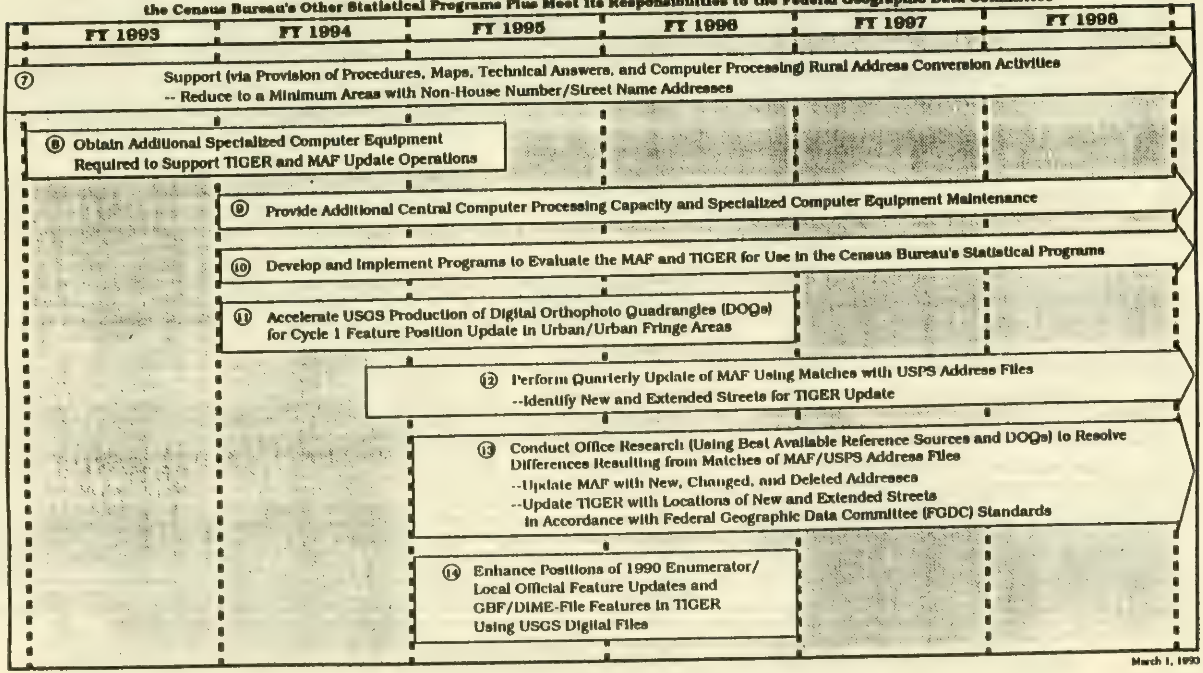
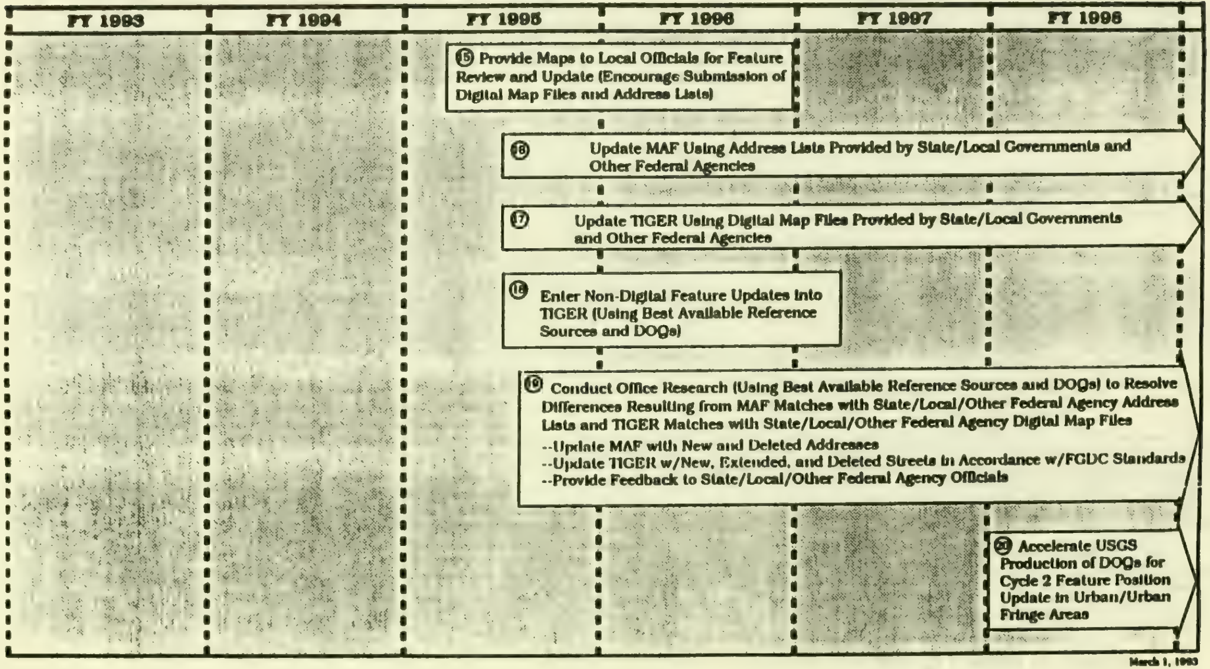


Chart GS-3

Major Activities Required to Create/Update a Master Address File (MAF) Linked to TIGER

That Will Provide Geographic and Address Information Essential to Supporting the 2000 Decennial Census and the Census Bureau's Other Statistical Programs Plus Meet its Responsibilities to the Federal Geographic Data Collection



March 1, 1993

Exhibit 14

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE PERSONNEL DETAIL

Activity: Geographic support
Subactivity: Geographic support
Program Change: Enhance the Power of TIGER/Create a Master Address File (MAF) Through Cooperative Partnerships with the USPS and Others

Title:		Grade	Number	Annual Salary	Total Salaries
Computer Specialist		13	4	$47,920	$191,680
Geographer		13	4	47,920	191,680
Statistician		13	6	47,920	287,520
Geographer		12	8	40,299	322,392
Computer Specialist		12	4	40,299	161,196
Statistician		12	6	40,299	241,794
Geographer		11	3	33,623	100,869
Computer Specialist		11	2	33,623	67,246
Statistician		11	2	33,623	67,246
Geographer		9	7	27,790	194,530
Computer Specialist		9	6	27,790	166,740
Statistician		9	5	27,790	138,950
Geographer		5	6	18,340	110,040
Computer Specialist		5	1	18,340	18,340
Statistician		5	8	18,340	146,720
Clerk		3	13	14,603	189,839
Total			85		2,596,782
Less lapse	25.00%		21		649,196
Total			64		1,947,587

Personnel Date	
Full-Time Equivalent Employment:	
Full-time permanent	64
Other than full-time permanent	0
Total	64
Authorized Positions:	
Full-time permanent	85
Other than full-time permanent	0
Total	85

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Geographic support
Subactivity: Geographic support
Program Change: Enhance the Power of TIGER/Create a Master Address File (MAF) Through Cooperative Partnerships with the USPS and Others

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$1,968
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	1,968
12.1	Civilian personnel benefits	551
13	Benefits for former personnel	18
21	Travel and transportation of persons	46
22	Transportation of things	1
23.1	Rental payments to GSA	446
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	111
24	Printing and reproduction	25
25	Other services	1,435
26	Supplies and materials	162
31	Equipment	757
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	5,500

Restore Essential 1993 Governmental Unit Boundaries (10 Permanent positions, 8 FTE, +$500,000). The Topologically Integrated Geographic Encoding and Referencing (TIGER) data base is a national resource. The Census Bureau uses this national resource to support all major statistical programs it conducts throughout the decade: two economic and two agriculture censuses, the special census program, the redesign and implementation of the current sample surveys, the population estimates program, the 2000 decennial census research and development effort, and the numerous preparatory activities required to conduct the 2000 decennial census. Collectively, these activities involve the Census Bureau in nearly constant use of the TIGER data base. Several other Federal agencies, numerous state and local governments, and many private sector and academic organizations also use the TIGER data base to support their mapping and geographic analysis activities. Of particular significance, the governmental unit boundaries of counties and incorporated places of 5,000 or greater population are used in both the current population estimates program and the fund allocation programs of several state agencies. The Boundary and Annexation Survey, normally conducted by the Census Bureau on an annual basis as a regular part of its Geographic Support activities, is the only nationwide source for this information.

During FY 1993, the Census Bureau had to cancel the 1993 Boundary and Annexation Survey due to budget constraints. As a result, the current population estimates program could not consider the effect of boundary and governmental unit status changes in preparing the estimates used in numerous Federal and state fund allocation programs. In FY 1994, the Census Bureau will collect, process, and enter into the TIGER data base the 1993 boundary changes and associated changes in geographic attributes that it could not collect and process during FY 1993. This is in addition to the regular collection, processing, and entry into the TIGER data base of boundary change activities and associated geographic attribute changes that will occur during 1994. Completing the collection, processing, and entry of the 1993 boundary and related geographic attribute information will make this information complete and current in the TIGER data base once again.

Departmenet of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE PERSONNEL DETAIL

Exhibit 14

Activity: Geographic support
Subactivity: Geographic support
Program Change: Restore Essential 1993 Governmental Unit Boundaries

Title:		Grade	Number	Annual Salary	Total Salaries
Geographic Specialist		13	2	$47,920	$95,840
Geographer		12	1	40,299	40,299
Computer Programmer Analyst		12	1	40,299	40,299
		11	1	33,623	33,623
Geographic Technician		10	2	30,603	61,206
Geographic Clerk		6	3	20,442	61,326
Total			10		332,593
Less lapse	25.00%		3		83,148
Total full-time permanent			8		249,445

Personnel Date

Full-Time Equivalent Employment:	
Full-time permanent	8
Other than full-time permanent	0
Total	8
Authorized Positions:	
Full-time permanent	10
Other than full-time permanent	0
Total	10

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Direct obligations in thousands)

Exhibit 15

Activity: Geographic support
Subactivity: Geographic support
Program Change: Restore Essential 1993 Governmental Unit Boundaries

Object Class		1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	$249
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	249
12.1	Civilian personnel benefits	71
13	Benefits for former personnel	0
21	Travel and transportation of persons	5
22	Transportation of things	2
23.1	Rental payments to GSA	37
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	6
24	Printing and reproduction	41
25	Other services	45
26	Supplies and materials	43
31	Equipment	1
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	500

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Exhibit 10

Activity: Data processing systems
Subactivity: Data processing systems

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Line Item		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Data proces.ing systems	Pos./BA	0	$18,228	0	$5,042	0	$8,003	0	$9,003	0	$1,000
	FTE/Obl.	0	19,538	0	6,293	0	8,003	0	9,003	0	$1,000
Total	Pos./BA	0	18,228	0	5,042	0	8,003	0	9,003	0	1,000
	FTE/Obl.	0	19,538	0	6,293	0	8,003	0	9,003	0	1,000
Adjustments for:											
Recoveries of prior year obligations			(1,602)		3,853						
Unobligated balance, start of year			(4,812)		(5,104)						
Unobligated balance, end of year			5,104								
Sequester											
Transfer to Salaries and Expenses					(64)						
Appropriation	Pos.	0	18,228	0	4,978	0	8,003	0	9,003	0	1,000

Exhibit 12

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Data processing systems
Subactivity: Data processing systems

Goal Statement

The goal of Data Processing Systems is to provide a computer environment which is efficient, responsive, and fully adequate for processing and generating economic and demographic statistics.

Objectives:

The objectives of Data Processing Systems are to provide total automated data processing (ADP) support and operational services for processing current and census programs; to provide effective planning and implementation of a comprehensive, long-range ADP acquisition program; and to increase productivity by providing computer (and related) tools to automate manual and other labor-intensive census operations.

Base Program

This program provides for the rental and/or purchase of equipment and other supporting activities related to the Census Bureau's general purpose computer facility. Detailed studies of workload and hardware/software requirements provide cost-effective alternatives, with decisions to lease or purchase specific equipment based on comparisons of costs and the expected usage periods.

The Census Bureau will continue to concentrate long-range planning activities on automated systems support to conduct and process the 1992 Agriculture/Economic Censuses and provide post-decennial processing for 1990 Decennial Census data analysis and tabulation. The needed ADP facilities and services will be acquired in accordance with Department of Commerce guidelines and the long-range ADP plan.

The FY 1994 base obligations request is $8,003,000. This is $1,710,000 more than the the FY 1993 amount currently available of $6,293,000 (obligations), which includes $3,853,000 in recoveries of prior year obligations. Descriptions of each activity, followed by specific FY 1994 Base Obligations changes to the FY 1993 Appropriation (Obligations) are as follows, (dollar amounts in thousands):

Site preparation/modification. This provides for continuing renovations and modifications to the physical areas housing the major computer systems and related ADP equipment.

There is no base change for FY 1994.

Printers. This provides for continuing maintenance expenses associated with both on-line and off-line printing subsystems and the replacement of obsolete laser and impact printing systems.

(+$50; 0 FTE). In FY 1994, the base change is to replace approximately six outdated Dataproduct impact and laser production printers. Also, there will be additional maintenance expenses associated with the forms printer purchased in FY 1992, which were funded by the Agriculture/Economic Censuses in FY 1993, but which will be used and funded as a general purpose printer for offloading peak workloads and small survey forms printing.

Interactive terminals. This provides for continuing replacement of outmoded terminals and acquisition of intelligent end user workstations. These devices are integral components of the Census Bureau's overall plan to enhance the productivity of programmers and non-programmers. Coupled with "user-friendly" software, increased on-line data storage, and effective training, this equipment provides the primary tools and techniques necessary for efficient program development and automation of existing manual procedures.

(+$125; 0 FTE). In FY 1994, the base change provides for increased maintenance support expenses associated with a network management system used to analyze and control network devices such as terminals. This system allows terminal users to fully utilize resources associated with other platforms and networks within the Census Bureau for program development and analysis.

Distributed communications processors (DCP). This provides for continuing maintenance expenses associated with the communication front-end processor. This system allows us to balance the terminal communications among the three large-scale mainframes and expedite response time for all interactive terminal users.

(-$58; 0 FTE). The FY 1994 base change reduces funding for maintenance expenses for the communication processors.

Field automation. This provides for continuing upgrades, acquisition, and maintenance expenses for equipment used to automate the survey collection process and general office support functions in the regional offices. These systems are designed to increase the efficiency of survey check-in, process control, cost and progress reporting, payroll, and other clerical type functions.

(+$159; 0 FTE). The base change in FY 1994 provides for the upgrade of existing hardware and the acquisition of additional equipment and software for the automated survey check-in systems in the regional offices. In addition, local area networks and electronic mail systems will be upgraded to current versions.

Office automation. This provides continuing maintenance expenses for the minicomputers used to automate many of the manual office processes and procedures at headquarters. These systems incorporate capabilities such as stored logic with communications, data base management, data entry, general data processing, facsimile (electronic mail), and administrative support/record processing.

There is no base change for FY 1994.

Data Preparation Division automation. This provides for continuing maintenance of production control and other automation-related systems at the Jeffersonville, Indiana processing facility. This equipment supports functions associated with automated processing, monitoring and flow control activities, as well as mail handling operations.

(+$54; 0 FTE). The base change in FY 1994 provides for maintenance support activities associated with the Agriculture/Economic censuses and for the replacement of aging production control system equipment. This system decreases the time and cost required to process work by providing automated internal scheduling and status reporting.

Tape drives. This provides for continuing maintenance of tape drive subsystems. This equipment incorporates improvements in tape movement speeds and recording methodologies.

There is no base change in FY 1994.

Integrated statistical laboratory. This provides for continuing upgrades, maintenance and associated software expenses for a system which contains a network of workstations, terminals and microcomputers tied to a powerful computer server. Because of its exclusive dedication, it provides for both the high-speed interactive capability and the use of highly-sophisticated user-friendly software needed for effective and timely statistical analysis.

(+$50; 0 FTE). The base change in FY 1994 supports the initial efforts to explore and develop, through research contracts and joint statistical agreements, new procedures for statistical and mathematical computing.

Publication support system. This provides for continuing support and maintenance of a Census Bureau-wide system for the interactive preparation of publications, including a standardized computer-generated, quality graphics capability. This system automates all preliminary and final publication processes, allowing significant improvements in the overall timeliness of data releases.

There is no base change in FY 1994.

On-line data storage. This provides for continuing maintenance expenses of the Census Bureau's on-line storage systems. These disk subsystems reduce tape handling (and the associated human errors), provide an environment necessary to promote interactive processing by nonprogrammers, and decrease turnaround time for the testing and use of computer programs.

There is no base change in FY 1994.

Central ADP processing support . This provides for the continuing maintenance and support expenses for the local Mainframe Computer Facility, and the Remote Computer Center located at Charlotte Included in maintenance expenses are the mainframe, large interactive minicomputers, and peripheral equipment.

(+$1,830; 0 FTE). The base change in FY 1994 covers the full estimate for maintenance and support activities. Included in maintenance support are maintenance expenses for the mainframe computer, minicomputers and associated peripheral equipment. In addition, support expenses provide for the computer facility in Charlotte, North Carolina to support the high level interactive processing demands and operates in a "hot site" mode should a disaster occur during critical processing periods.

Computer Assisted Interviewing (CAI). This provides partial funding for the continuing development and production of an automated interviewing system, incorporating laptop computers, and a computer-based telephone operation. Included are a facility and equipment for the collection of live survey data on a large scale in a production environment. This effort will increase the efficiency of data collection, and enhance data quality through direct data entry.

(-$500; 0 FTE). FY 1993 completes CAI activities funded through the Data Processing Systems activity.

Exhibit 13

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
INCREASE FOR FY 1994
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase	
		Personnel	Amount	Personnel	Amount	Personnel	Amount
Data Processing Systems.....	Pos./BA	...	$8,003	...	$9,003	...	$1,000
	FTE/Obl.	...	8,003	...	9,003	...	1,000

New (Bowie) Census Computer Center (0 Permanent positions, 0 FTE, and +$1,000,000). The central computer facility in FB-3 has long been hampered by problems regarding daily operations, expansion, and adapting to new technologies due to limiting structural characteristics of the building, aging building infrastructure, and power shortages. The General Services Administration (GSA) plans to build a computer facility for the Census Bureau. GSA will provide funds to construct the facility, including certain basic features for a modern computer facility. There are other features required in a computer center that GSA does not provide funding for, such as uninterruptible power supplies, emergency generators, and power distribution units. This initiative will provide funding for these critical "above standard" features to be included in the new computer center. The "above standard" features will:

Plan	Benefits
Provide uninterruptible power supplies, emergency generators, and power distribution units in the new computer center.	Protect the computers from damage when there are drops or surges in current. Assure continuous power to the computers when commercial power services are interrupted, preventing critical processing delays. Assure proper distribution of power from the electric panels to the various computer components for efficient cabling and space utilization.

The State of Maryland will convey land located at the Science and Technolgy Center to GSA. Funds were included in GSA's FY 1992 appropriation to design a new computer center for the Census Bureau. GSA will provide funding to proceed with competitive design and construction of the computer center in FY 1994, however, the Federal Property Management Regulations specify the standard features of various types of space and facilities that GSA will pay for in construction projects. Uninterruptible power supplies, emergency power generators, and power distribution units have been identified by GSA as above standard features and, therefore, not included in their base funding for the construction of the facility. These critical features are necessary for a modern computer center. The uninterruptible power supply units protect the computers from damage when there are drops or surges in power current and when commercial power stops. Power surges such as from lightning can cause irreparable damage to computers. Power drops cause "hesitations" in processing, causing processing steps to be missed or data to be altered or dropped. The emergency power generators automatically provide continuous power when commercial power is lost. This eliminates delays in processing critical programs. Power distribution units provide electrical hook-ups under the raised floor for the various computer components in the center to improve equipment and space utilization.

The Census Bureau will begin paying rent to GSA when it occupies the facility beginning in FY 1996.

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 15

Activity: Data processing systems
Subactivity: Data processing systems
Program Change: New (Bowie) Census computer center

	Object Class	1994 Increase
11	Personnel compensation	$0
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits	0
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Commun., util., misc. charges	0
24	Printing and reproduction	1,000
25	Other services	0
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	
99	Total obligations	1,000

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 16

Object Class		1992 Actual	1993 1/ Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation					
11.1	Full-time permanent	$82,018	$90,812	$51,594	$55,746	$4,152
11.3	Other than full-time permanent	9,677	10,158	3,698	3,698	0
11.5	Other personnel compensation	1,444	1,622	797	797	0
11.8	Special personnel services payments	7	0	0	0	0
11.9	Total personnel compensation	93,146	102,592	56,089	60,241	4,152
12.1	Civilian personnel Benefits	17,912	20,301	13,992	15,015	1,023
13	Benefits for former personnel	6,279	570	0	18	18
21	Travel and transportation of persons	1,852	2,749	1,900	2,052	152
22	Transportation of things	491	159	118	122	4
23.1	Rental payments to GSA	4,602	7,691	7,742	9,075	1,333
23.2	Rental payments to others	2,116	1,331	233	233	0
23.3	Commun., util., misc. charges	4,197	11,988	2,735	2,852	117
24	Printing and reproduction	8,996	3,353	3,647	3,777	130
25.1	Consulting services	3,179	2,162	2379	2,379	0
25.2	Other services	16,039	20,976	23,956	26,652	2,696
26	Supplies and materials	4,664	3,483	2,238	2,540	302
31	Equipment	13,474	8,240	9,055	9,962	907
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	1	0	0	0	0
42	Insurance claims and indemnities	1	0	0	0	0
43	Interest and dividends	11	0	0	0	0
44	Refunds	0	0	0	0	0
99	Subtotal, Direct Obligations	176,960	185,595	124,084	134,918	10,834
	Less prior year recoveries			(4,000)	(4,000)	
	TOTAL BUDGET AUTHORITY			120,084	130,918	10,834

1/ The 1993 object class is based on the current Apportionment.

Exhibit 16

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
Personnel Date					
Full-Time equivalent Employment:					
Full-time permanent	2,067	2,084	1,854	1,968	114
Other than full-time permanent	465	638	214	214	0
Total	2,532	2,722	2,068	2,182	114
Authorized Positions:					
Full-time permanent	2,149	2,655	1,732	1,880	148
Other than full-time permanent	630	984	345	345	0
Total	2,779	3,639	2,077	2,225	148

Exhibit 17

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation				
11.1	Full-time permanent				
	Executive level	$0	$0	$0	0
	Senior executive service	(10)	650	650	0
	General schedule	(922)	50,592	54,744	4,152
	Commissioned officers	0	0	0	0
	Wage board/wage marine	(4)	352	352	0
	Scientific & professional (P.L. 80-313)	0	0	0	0
	Examiners of patent appeals (P.L. 82-593, 98-622)	0	0	0	0
	Examiners of trademark appeals (P.L. 98-622)	0	0	0	0
	Senior foreign service	0	0	0	0
	Foreign service staff	0	0	0	0
	Foreign service nationals	0	0	0	0
	Consultants & experts	0	0	0	0
	Students	0	0	0	0
	Subtotal	(936)	51,594	55,746	4,152
11.3	Other than full-time permanent				
	General schedule	(48)	2,903	2,903	0
	Wage board	0	51	51	0
	Experts & consultants	0	17	17	0
	Hourly	(9)	727	727	0
	Subtotal	(57)	3,698	3,698	0
11.5	Other personnel compensation				
	Overtime	(9)	395	395	0
	SES performance awards	0	1	1	0
	Cash awards	(9)	335	335	0
	Merit pay awards	(1)	66	66	0
	Other	0	0	0	0
	Subtotal	(19)	797	797	0
11.8	Special personnel services payments				
	Foreign service officers (State)	$0	$0	$0	$0
	Other	0	0	0	0
	Subtotal	0	0	0	0
11.9	Total personnel compensation	(1,012)	56,089	60,241	4,152

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		1994 Adjustments to Base	1994 Base	1996 Estimate	Increase/ (Decrease)
12.1	Civilian personnel benefits				
	Civil service retirement	(36)	2,297	2,297	0
	Federal employees' retirement	(65)	2,991	3,455	464
	Thrift savings plan	164	577	649	72
	Federal insurance contribution act	(37)	1,853	2,127	274
	Health insurance	(52)	2,784	2,994	210
	Life insurance	(1)	105	108	3
	Employees' compensation fund	(852)	3,379	3,379	0
	Other	0	6	6	0
	Subtotal	(879)	13,992	15,015	1,023
13	Benefits for former personnel				
	Severance pay	0	0	0	0
	Unemployment compensation	0	0	18	18
	Other	0	0	0	0
	Subtotal	0	0	18	18
21	Travel and transportation of persons				
	Common carrier	(429)	667	756	89
	Mileage	(155)	244	245	1
	Per diem/actual	(230)	923	984	61
	Vehicular	(38)	66	67	1
	Other	0	0	0	0
	[Overseas estimates]	0	0		0
	Subtotal	(852)	1,900	2,052	152
22	Transportation of things	(5)	$118	$122	$4
	[Overseas estimates]				
23.1	Rental payments to GSA	420	7,742	9,075	1,333
23.2	Rental payments to others	(12)	233	233	0
23.3	Communications, utilities and miscellaneous charges				
	Rental of ADP equipment	(2)	25	29	4
	Rental of office copying equipment	(4)	106	113	7
	Other equipment rental	(16)	351	353	2
	Telecommunications services	(55)	1,106	1,162	56
	Postal Service by USPS	(43)	901	908	7
	Other	(1)	246	287	41
	[Overseas estimates]	0	0	0	0
	Subtotal	(121)	2,735	2,852	117

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Exhibit 17

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
24	Printing and reproduction				
	Publications	(40)	983	1,029	46
	Public use forms	(24)	577	579	2
	Envelopes	(4)	73	75	2
	Other	(68)	2,014	2,094	80
	[Payments to GA, WCF]	0	0	0	0
	[Overseas estimates]	0	0	0	0
	Subtotal	(136)	3,647	3,777	130
25.1	Consulting services	0	2379	2,379	0
25.2	Other services				
	Training:				
	University	(7)	135	136	1
	Office of personnel management	(2)	65	65	0
	Other	(52)	1,096	1,183	87
	Maintenance of equipment	(844)	$12,548	$12,814	266
	GSA reimbursable services	(12)	295	1,305	1,010
	ADP services	0	0	0	0
	Payments to GA, WCF	0	731	731	0
	Other non-government contracts	(1)	20	21	1
	Other	(181)	9,066	10,397	1,331
	[Overseas estimates]	0	0		0
	Subtotal	(1,099)	23,956	26,652	2,696
26	Supplies and materials				
	Office supplies	(29)	683	888	205
	ADP supplies	(66)	1,303	1,303	0
	Other	(9)	252	349	97
	[Overseas estimates]	0	0	0	0
	Subtotal	(104)	2,238	2,540	302
31	Equipment				
	Office machines and equipment	(360)	1,357	1,377	20
	ADP hardware	(8,401)	5,865	6,573	708
	ADP software	29	943	945	2
	Other	33	890	1,067	177
	[Overseas estimates]	0	0	0	0
	Subtotal	(8,699)	9,055	9,962	907

Exhibit 17

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class		1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	Total Obligations	(12,499)	124,084	134,918	10,834
	Less prior year recoveries		(4,000)	(4,000)	0
	Total Budget Authority	(12,499)	120,084	130,918	10,834

Exhibit 18

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part I - 1993 Structure
(Dollar amounts in thousands)

Activity/Subactivity	1993 Direct Obligations	Proposed Changes
Economic Statistics Programs	$81,602	"No change"
Economic censuses	48,608	"No change"
Census of governments	2,930	"No change"
Census of agriculture	30,064	"No change"
Demographic Statistics Programs	73,000	
Intercensal demographic estimates	3,855	"No change"
Decennial census	55,395	Change subactivity title to: 1990 Decennial Census
2000 Decennial census	13,750	Change subactivity title to: Decennial Census
Sample Redesign	11,539	"No change"
Geographic Support	13,161	"No change"
Data Processing Systems	6,293	"No change"
Total requirements	185,595	

Exhibit 19

Department of Commerce
Bureau of the Census
Periodic Censuses and Programs
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK
Part 2 - 1994 Structure
(Dollar amounts in thousands)

Activity/Subactivity	Amounts 1990	1991	1992	1993	1994
Economic Statistics Programs	$28,388	$30,889	$45,445	$81,602	$60,358
Economic censuses	17,192	17,683	27,455	48,608	37,494
Census of governments	1,699	1,968	4,326	2,930	2,892
Census of agriculture	9,497	11,238	13,664	30,064	19,972
Demographic Statistics Programs	1,390,004	257,346	95,391	73,000	28,547
Intercensal demographic estimates	3,168	3,685	3,661	3,855	5,425
1990 Decennial census	1,386,836	252,216	82,289	55,395	0
Decennial census	0	1,445	9,441	13,750	23,122
Sample Redesign	1,893	4,584	7,275	11,539	13,048
Geographic Support	8,784	6,654	9,311	13,161	23,962
Data Processing Systems	40,177	20,621	19,538	6,293	9,003
Total direct obligations	1,469,246	320,094	176,960	185,595	134,918

Exhibit 33

Department of Commerce
Bureau of the Census

Periodic Censuses and Programs
Appropriation Language and Code Citations:

1. For expenses necessary to collect and publish statistics for periodic censuses and programs provided for by law,

   13 U.S.C. 4, 6, 12, 131, 141, 142, 161, 181, 191; 15 U.S.C. 1516; 23 U.S.C. 2392; 42 U.S.C. 1973 aa-5.

   13 U.S.C. 4 authorizes the Secretary to "perform the functions and duties imposed upon him by this title" or he may delegate any of them "to such officers and employees of the Department of Commerce as he may designate."

   13 U.S.C. 6 provides that "The Secretary...may call upon any other ... establishment of the Federal Government...for information pertinent to the work provided for in this title." This section also provides that "The Secretary may acquire, by purchase or otherwise, from States, counties, cities, or other units of government,..., or from private persons and agencies such copies of records, reports, and other material as may be required for the efficient and economical conduct of the censuses and surveys provided for in this title."

   13 U.S.C. 12 provides that "The Secretary is authorized to have conducted mechanical and electronic development work as he determines is needed to further the functions and duties of carrying out the purposes of this title and may enter into such developmental contracts as he may determine to be in the best interest of the Government.

   13 U.S.C. 131 provides that "The Secretary shall take, compile, and publish censuses of manufactures, of mineral industries, and of other businesses, including the distributive trades, service establishments, and transportation (exclusive of means of transportation for which statistics are required by law to be filled with, and are compiled and published by a designated regulatory body), in the year 1964, then in the year 1968, and every fifth year thereafter, and each such census shall relate to the year immediately preceding the taking thereof."

   13 U.S.C. 141 provides that "The Secretary shall, in the year 1980 and every 10 years thereafter, take a decennial census of population as of the first day of April of such year, which date shall be known as the decennial census date, in such form and content as he may determine, including the use of sampling procedures and special surveys."

   13 U.S.C. 142 provides that "The Secretary shall in 1979, in 1983, and every fifth year beginning after 1983, take a census of agriculture."

13 U.S.C. 161 provides that "The Secretary shall take, compile and publish for the year 1957 and for every fifth year thereafter a census of governments."

13 U.S.C. 181 provides that "The Secretary...shall annually produce and publish for each State, county and local unit of general purpose government which has a population of fifty thousand or more, current data on total population and population characteristics and, to the extent feasible, shall biennially produce and publish for other local units of general purpose government current data on total population."

13 U.S.C. 191 provides that "Each of the censuses authorized by this chapter shall include each State, the District of Columbia, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and the Commonwealth of Puerto Rico, and as may be determined by the Secretary, such other possessions and areas over which the United States exercises jurisdiction, control or sovereignty."

15 U.S.C. 1516 provides that "The Secretary of Commerce shall have control of the work of gathering and distributing statistical information naturally relating to the subjects confided to his department... He shall also have the authority to call upon other departments of the Government for statistical data and results obtained by them; and he may collate, arrange, and publish such statistical information so obtained in such manner as to him may seem wise."

23 U.S.C. 2392 provides that "The Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture."

42 U.S.C. 1973 aa-5 directs that "The Director of the Census...conduct a survey to compile registration and voting statistics: (i) in every State or political subdivision with respect to which the prohibitions of section 1973b(a) of (42 U.S.C.) are in effect, for every statewide general election for Members of the United States House of Representatives after January 1, 1974; and (ii) in every State or political subdivision for any election designated by the United States Commission on Civil Rights."

2. $130,918,000 to remain available until expended:

No Specific Authority

This phrase provides for extended obligation authority which would be restricted to the current fiscal year by 31 U.S.C. 1301.

Department of Commerce
Bureau of the Census

Periodic Censuses and Programs
CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Management and professional support svcs.	$386	$151	$210
Studies, analysis and evaluations	2,254	623	717
Engineering and technical services	539	1,388	1,452
Management and support services for research and development	0	0	0
TOTAL	3,179	2,162	2,379

The principal uses of advisory and assistance services in the periodic censuses and programs appropriation are a wide variety of assistance with respect to the data and methodology of the the decennial census.

Exhibit 35

Department of Commerce
Bureau of the Census

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
(Obligations in thousands)

	FY 1991 Actual	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Periodicals....................	$ 201	$ 182	$ 188	$ 195
Pamphlets......................	2,400	2,607	2,800	2,200
Audiovisuals...................	160	82	86	88
TOTAL	$2,761	$2,871	$3,074	$2,483

Periodicals: Included in these figures are production and printing of *Census and You, Monthly Product Announcement, Bureau of the Census Catalog, and Statistical Abstract of the United States.*

Pamphlets: This category includes production and printing of all statistical publications other than periodicals, comprising monthly, quarterly, annual, and irregular statistical reports. Production of 1990 Decennial Census reports will be completed in FY 1993, and production of 1992 Economic, Agriculture, and Governments Census reports will begin in FY 1994.

Audiovisuals: This category includes both in-house and contracted costs for producing artwork and photographic slides and transparencies for presentations. Costs decreased from FY 1991 because of a reduction in public presentations about the 1990 Decennial Census.

Exhibit 36

Department of Commerce
Bureau of the Census

AVERAGE GRADE AND SALARY

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Direct:			
Average ES Grade........................	3.3	3.4	3.4
Average GS/GM Grade......................	7.82	7.82	7.82
Average GS/GM Salary.....................	$27,162	$28,167	$28,167

Mr. SMITH. Testifying on behalf of the Census Bureau is the Acting Director, Harry A. Scarr. We will insert your biographical sketch into the record at this point, Dr. Scarr, and we ask that you proceed with your testimony.

[The biographical sketch of Mr. Scarr follows:]

HARRY A. SCARR

Date and Place of Birth: May 4, 1934, Massillon, Ohio.

Education: University of Michigan, A.B., 1956, Sociology, Highest Honors, Harvard University, Ph.D., 1963, Sociology.

Military service: None.

Present position: 1/20/93 to present—Acting Director, 12/27/92—Deputy Director, Bureau of the Census.

Experience prior to present position: Department of Commerce: 1982-1992—Deputy Assistant Secretary for Statistical Affairs, Economics and Statistics Administration.

Department of Justice: 1982—Director of Research and Statistics, Immigration and Naturalization Service, 1981-1982—Associate Deputy Commissioner (Acting), Immigration and Naturalization Service, 1981—Special Assistant to the Associate Attorney General, 1980-1981—Director, Bureau of Justice Statistics (PAS IV), 1977-1980—Administrator, Federal Justice Research Program, 1975-1977—Assistant Director, Office of Policy and Planning, 1973-1974—Staff, Office of Justice Policy and Planning, 1973—Director (Acting), National Institute of Law Enforcement and Criminal Justice, 1973-Staff, National Institute of Law Enforcement and Criminal Justice.

Human Sciences Research, Incorporated: 1970-1972—Research Scientist and Project Director.

Wharton School, University of Pennsylvania, 1966-1969—Assistant Professor of Sociology.

National Institute of Mental Health, 1963-1966—Staff Fellow.

Harvard University: 1961-1963—Assistant Research Sociologist to the University Health Services.

Honors and professional affiliations: 1992—Presidential Rank Award. 1988—Gold Medal, Department of Commerce. 1979—Special Commendation, Department of Justice. 1956—Phi Beta Kappa; Phi Kappa Phi.

OPENING STATEMENT

Mr. SCARR. Thank you, Mr. Chairman. I appreciate the opportunity to present and explain the 1994 budget for the Bureau of the Census.

The total 1994 budget request, as you noted, is $271,716,000, a decrease of $25,539,000 from the 1993 appropriations.

Our request for current statistical programs, the S&E appropriation, is $140,798,000, an increase of $13,438,000. This includes net program initiatives of $5,058,000 for business statistics, construction statistics, general economic statistics, and government statistics. Adjustments to base-which total $11,785,000-include $3,526,000 to continue planned program increments for standard industrial classification research, improved service sector statistics, the redesign of the Survey of Income and Program Participation, and $7,333,000 to restore 1993 base reductions.

The request for the Periodic Censuses and Programs Appropriation is $130,918,000, which is $38,977,000 less than the amount currently available for fiscal year 1993. This budget request includes program initiatives of $10,834,000 for the 2000 Decennial Census, geographic support and data processing systems. The budget request includes estimated recoveries of prior year obligations of $4 million.

We have reduced our budget request by a total of $7,093,000 to implement the executive order on deficit control and productivity improvement in the administration of the Federal Government, and the executive order on reduction of 100,000 Federal positions.

ECONOMIC STATISTICS INITIATIVE

From fiscal year 1991 through fiscal year 1993, the Census Bureau has requested funding to implement the economic statistics initiative for improving the quality of economic statistics. The initiative responds to the rapid pace of change in today's economy with a package of recommendations of the highest priority for improving economic statistics. During these three years, however, we have received less than one-fourth of the funding which we requested to implement the initiative.

Most of the Census Bureau's fiscal year 1994 program changes for current statistical programs continue to be for implementation of the economic statistics initiative. This year we are requesting improvement in statistics for the service and construction industries.

SERVICE INDUSTRY STATISTICS

Service industry data are critical for measuring overall economic activity. While recent statistics-gathering efforts have brought about needed improvements in the collection of service industry data, the economic indicators that are being used by the Federal Government to shape economic policy still do not adequately reflect the role of services. Good service statistics are vital because services now account for 70 percent of national output. The continuation of the expansion of the service industries program is essential for improving the quality of the national income and product accounts, input-output tables and productivity and price measurements.

Limited data on outside supplier services purchased by industry have been collected only every five years. We propose to improve measurement of services purchased by industry by collecting detailed data on an annual basis. This will significantly improve the reliability of the annual and benchmark input-output tables and derivative estimates of gross domestic product originating by industry.

We are also proposing to expand collection of corporate financial data for the service industry. Although quarterly profits data are essential to the calculation of the Gross Domestic Product and the Federal Reserve Board's flow of funds accounts, such data for the service sector have never been collected. This initiative is the first step in covering the service sector through an expansion of the existing Quarterly Financial Report survey.

We propose collecting annual detail for more service industries by addressing major data gaps in the transportation area with the introduction of two new annual surveys covering water transportation, and charter, rural, and intercity busing.

CONSTRUCTION STATISTICS

We propose to improve the value of new construction statistics. Construction accounts for nearly 10 percent of Gross Domestic Product. Construction statistics are inadequate and tend to understate the value of new construction, particularly for private nonresidential buildings. This initiative will result in comprehensive quarterly data on nonresidential reconstruction, provide a set of nonresidential construction price indexes and produce improved estimates of expenditures for buildings located at industrial sites.

WOMEN AND MINORITY-OWNED BUSINESSES

Business formations by women and minority-owned entrepreneurs are outpacing business formations by their non-minority male counterparts, but data on women and minority-owned businesses are currently collected only every five years. This is not often enough to provide policymakers, small and minority business assistance programs, and the women in minority business communities the data needed to adapt to economic change. We are proposing an annual program which will expand the use of administrative data resulting in more frequent and more timely time series information on this growing segment of the economy.

GOVERNMENT STATISTICS

The Single Audit Act of 1984 requires each government and nonprofit organization that receives $100,000 or more in Federal assistance in a given year to have a comprehensive audit of all its operations. These entities are also required to submit a copy of each annual audit to the Federal audit clearinghouse. Our budget initiative consolidates the funding for the Federal Audit Clearinghouse, operated by the Census Bureau as the Executive Agent for the Office of Management and Budget.

MANUFACTURING STATISTICS

We will reduce, from monthly to quarterly, the frequency of three current industrial reports on cotton fiber and soybean, cotton, and other fats and oils.

2000 DECENNIAL CENSUS

Funding for the 1990 Decennial Census ends in fiscal year 1993, but we are already preparing for the 2000 Decennial Census. In fiscal year 1994 we will focus on redefining the Decennial Census features that we will test in fiscal year 1995. There are two fiscal year 1994 program increases for the 2000 Decennial Census. The first is for the 1995 census tests program. In fiscal year 1994 we must design and develop the automated systems required to conduct the fiscal year 1995 test censuses operations, including data collection systems. The decision date for selecting the design features for the 1995 test censuses requires that all of these activities be accomplished on a very compressed time schedule which will require a resource intensive effort. Completion of these activities is critical to conducting the test census and evaluating the results in a manner that provides timely and comprehensive data necessary to select the 2000 Census design.

The second program increase for the 2000 Decennial Census is for decennial operational preparation. The focus of the activities funded by this increase is on the preparatory work required for the Census regardless of the design. These activities are independent of the research and development program. We must begin to plan our processing systems, including determining the extent of decentralization of processing and its integration with data collection activities, to ensure an efficient field structure. Starting the developmental work in fiscal year 1994 is essential to the decisions required for the procurement of automation hardware and design requirements for the development of supporting software.

TIGER/MASTER ADDRESS FILE

We are proposing a program initiative to enhance the power of TIGER and create a master address file through cooperative partnerships with the United States Postal Service and others. This initiative will provide funds to manage, in an automated format, a continuously updated and increasingly accurate map base for the United States that includes the correct mailing address and geographic location of every housing unit, group quarters, farm, business and industrial establishment. This computer file will consistently exceed the expectations of the Census Bureau's customers, both internal and external for current maps and correctly geocoded statistical data. It will also provide complete address lists to serve as the coverage control and sampling frame for approved statistical activities.

To do this, the Census Bureau will seek to build partnerships with other agencies and organizations that share its concern for having current and correct geographic and address information. The resources requested represent only the Census Bureau's share of the work, because that work is something that each partner performs to meet its internal requirements.

BOUNDARY AND ANNEXTION SURVEY, 1993 UPDATES

An initiative to collect essential 1993 governmental unit boundaries will collect, process, and enter into the TIGER database, in fiscal year 1994, the 1993 boundary changes and associated changes in geographic attributes that we were unable to collect and process in fiscal year 1993 because of budget reductions. These updates are in addition to the regular activities in fiscal year 1994. Completing the collection, processing, and entry of the 1993 information will make this information current and complete in the TIGER database.

NEW COMPUTER CENTER

The central computer facility in Federal Building 3 has long been hampered by problems regarding daily operations, expansion, and adapting to new technologies. GSA plans to build a computer facility for the Census Bureau in Bowie, Maryland. We are proposing a program initiative to provide uninterruptible power supplies, emergency generators, and power distribution units which GSA does not fund, but which are essential features to be included in a computer center.

CONCLUSION

Today's decision makers operate in an increasingly complex world and require current and correct information. The quality of many decisions depends in part on the quality of information provided by our Federal statistical agencies. The Census Bureau is committed not only to gathering the highest quality statistics, but to making these data available on a timely basis in formats that are highly useful to our customers. We are especially proud of the progress we have made in providing data to our users on CD-ROM.

Although our statistical system remains basically sound, serious gaps exist for the rapidly changing areas of our society where information is urgently needed. The Census Bureau seeks to meet these needs while preserving and enhancing ongoing core programs. We appreciate the support received from the Congress in the fiscal year 1993, and we hope that your support continues.

This concludes my prepared statement. I will be pleased to answer any questions you have.

Thank you, Mr. Chairman, and Mr. Rogers.

[The prepared statement of Mr. Scarr follows:]

PREPARED STATEMENT ON BUREAU OF THE CENSUS

HARRY A. SCARR
ACTING DIRECTOR
BUREAU OF THE CENSUS
UNITED STATES DEPARTMENT OF COMMERCE

Before the Subcommittee on

Commerce, Justice, and State,
the Judiciary, and Related Agencies

Committee on Appropriations

House of Representatives

April 23, 1993

Thank you, Mr. Chairman, and members of the Committee. I appreciate the opportunity to present and explain the 1994 budget for the Bureau of the Census.

PROGRAM HIGHLIGHTS

The total 1994 budget request is $271,716,000, a decrease of $25,539,000 from 1993 appropriations.

Our request for current statistical programs -- the Salaries and Expenses (S&E) Appropriation -- is $140,798,000, an increase of $13,438,000. This includes net program initiatives of $5,058,000 for business statistics, construction statistics, general economic statistics, and government statistics. Adjustments to base -- which total $11,785,000 -- include $3,526,000 to continue planned program increments for Standard Industrial Classification (SIC) research, improved service sector statistics, the redesign of the Survey of Income and Program Participation (SIPP), and $7,333,000 to restore 1993 base reductions.

The request for the Periodic Censuses and Programs Appropriation (PC&P) is $130,918,000, which is $38,977,000 less than the amount currently available for FY 1993. This budget request includes program initiatives of $10,834,000 for the 2000 Decennial Census, geographic support, and data processing systems. The budget request includes estimated recoveries of prior year obligations of $4,000,000.

We have reduced our budget request by a total of $7,093,000 to implement the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, and the Executive Order on Reduction of 100,000 Federal Positions.

ECONOMIC STATISTICS INITIATIVE

(S&E; +$5,148,000, including $1,677,000 in ATBs)

From FY 1991 through FY 1993, the Census Bureau has requested funding to implement the Economic Statistics Initiative for Improving the Quality of Economic Statistics. The Initiative responds to the rapid pace of change in today's economy with a package of recommendations of the highest priority for improving economic statistics. During these three years, however, we have received less than one-fourth of the funding which we requested to implement the Initiative.

Most of the Census Bureau's FY 1994 program changes for current statistical programs continue to be for implementation of the Economic Statistics Initiative. This year, we are requesting improvements in statistics for the service and construction industries.

SERVICE INDUSTRY STATISTICS

(+$2,171,000)

Service industry data are critical for measuring overall economic activity. While recent statistics-gathering efforts have brought about needed improvements in the collection of service industry data, the economic indicators that are being used by the Federal government to shape economic policy still do not adequately reflect the role of services. Good service statistics are vital because services now account for 70 percent of national output. The continuation of the expansion of the service industries program is essential for improving the quality of the national income and product accounts, input-output tables, and productivity and price measurements.

Limited data on outside supplier services purchased by industry have been collected only every 5 years. We propose to IMPROVE MEASUREMENT OF SERVICES PURCHASED BY INDUSTRY (+$923,000) by collecting detailed data on an annual basis. This will significantly improve the reliability of the annual and benchmark input-output tables and the derivative estimates of gross domestic product originating by industry.

We are also proposing to EXPAND COLLECTION OF CORPORATE FINANCIAL DATA for the service industry (+808,000). Although quarterly profits data are essential to the calculation of the Gross Domestic Product (GDP) and the Federal Reserve Board's flow of funds accounts, such data for the service sector have never been collected. This initiative is the first step in covering the service sector through an expansion of the existing Quarterly Financial Report (QFR) Survey.

We propose COLLECTING ANNUAL DETAIL FOR MORE SERVICE INDUSTRIES (+$440,000) by addressing major data gaps in the transportation area with the introduction of two new annual surveys covering water transportation, and charter, rural, and intercity busing.

CONSTRUCTION STATISTICS

(+$1,300,000)

We propose to IMPROVE THE VALUE OF NEW CONSTRUCTION STATISTICS. Construction accounts for nearly 10% of Gross Domestic Product. Construction statistics are inadequate, and tend to understate the value of new construction, particularly for private, nonresidential buildings. This initiative will result in comprehensive quarterly data on nonresidential reconstruction, provide a set of nonresidential construction price indexes, and produce improved estimates of expenditures for buildings located at industrial sites.

WOMEN- AND MINORITY OWNED BUSINESSES

(+$1,377,000)

Business formations by women and minority-owned entrepreneurs are outpacing business formations by their non-minority male counterparts, but data on women and minority-owned businesses are currently collected only every 5 years. This is not often enough to provide policy makers, small and minority business assistance programs, and the women and minority business communities the data needed to adapt to economic change. We are proposing an annual program which will expand the use of administrative data, resulting in more frequent and more timely time series information on this growing segment of the economy.

GOVERNMENT STATISTICS

(+$600,000)

The Single Audit Act of 1984 requires each government and non-profit organization that receives $100 thousand or more in Federal assistance in a given year to have a comprehensive audit of all its operations. These entities are also required to submit a copy of each annual audit to the Federal Audit

Clearinghouse. Our budget initiative consolidates the funding for the Federal Audit Clearinghouse, operated by the Census Bureau as the Executive Agent for the Office of Management and Budget.

MANUFACTURING STATISTICS

(-$390,000)

We will reduce, from monthly to quarterly, the frequency of 3 current industrial reports on cotton fiber and soybean, cotton, and other fats and oils.

2000 DECENNIAL CENSUS

Funding for the 1990 decennial census ends in FY 1993. But we are already preparing for the 2000 decennial census. In FY 1994, we will focus on refining the decennial census features that we will test in FY 1995.

There are two FY 1994 program increases for the 2000 decennial census. The first is for the 1995 CENSUS TESTS PROGRAM (+$1,382,000). In FY 1994, we must design and develop the automated systems required to conduct the FY 1995 test censuses operations, including data collection systems. The decision date for selecting the design features for the 1995 test censuses requires that all these activities be accomplished on a very compressed time schedule, which will require a resource intensive effort. Completion of these activities is critical to conducting the test census and evaluating the results in a manner that provides timely and comprehensive data necessary to select the 2000 census design.

The second program increase for the 2000 decennial census is for DECENNIAL OPERATIONAL PREPARATION (+$2,452,000). The focus of the activities funded by this increase is on the preparatory work required for the census regardless of the design. These activities are independent of the research and development program. We must begin to plan our processing systems, including determining the extent of decentralization of processing and its integration with data collection activities to ensure an efficient field structure. Starting this developmental work in FY 1994 is essential to the decisions required for the procurement of automation hardware and design requirements for the development of supporting software.

TIGER/ MASTER ADDRESS FILE

(+$5,500,000)

We are proposing a program initiative to ENHANCE THE POWER OF TIGER AND CREATE A MASTER ADDRESS FILE THROUGH COOPERATIVE PARTNERSHIPS WITH THE USPS AND OTHERS. This initiative will provide funds to manage, in an automated format, a continuously updated and increasingly accurate map base for the United States that includes the correct mailing address and geographic location of every housing unit, group quarters, farm, business, and industrial establishment. This computer file will consistently exceed the expectations of the Census Bureau's customers, both internal and external, for current maps and correctly geocoded statistical data. It will also provide complete address lists to serve as the coverage control and sampling frame for approved statistical activities. To do this, the Census Bureau will seek to build partnerships with other agencies and organizations that share its concern for having current and correct geographic and address information. The resources requested represent only the Census Bureau's share of the work because that work is something that each partner performs to meet its internal requirements.

BOUNDARY AND ANNEXATION SURVEY, 1993 UPDATES

(+$500,000)

An initiative to COLLECT ESSENTIAL 1993 GOVERNMENTAL UNIT BOUNDARIES will collect, process, and enter into the TIGER data base, in FY 1994, the 1993 boundary changes and associated changes in geographic attributes that we were unable to collect and process in FY 1993 because of budget reductions. These updates are in addition to the regular activities in FY 1994. Completing the collection, processing, and entry of the 1993 information will make this information current and complete in the TIGER data base.

NEW COMPUTER CENTER

(+$1,000,000)

The central computer facility in FB-3 has long been hampered by problems regarding daily operations, expansion, and adapting to new technologies. GSA plans to build a computer facility for the Census Bureau in Bowie, MD. We are proposing a program initiative to provide uninterruptible power supplies, emergency generators, and power distribution units, which GSA does not fund, but which are essential features to be included in a computer center.

CONCLUSION

Today's decision makers operate in an increasingly complex world, and require current and correct information. The quality of many decisions depends, in part, on the quality of information provided by our Federal statistical agencies. The Census Bureau is committed not only to gathering the highest quality statistics, but to making these data available on a timely basis in formats that are highly useful to our customers. We are especially proud of the progress we have made in providing data to our users on CD-ROM. Although our statistical system remains basically sound, serious gaps exist for the rapidly changing areas of our society where information is urgently needed. The Census Bureau seeks to meet these new needs while preserving and enhancing ongoing core programs. We appreciate the support we received from the Congress in the FY 1993 budget, and hope that your support continues.

This concludes my prepared statement. I will be pleased to answer any questions you may have.

Thank you, Mr. Chairman.

2000 CENSUS

Mr. SMITH. Give us a more detailed explanation of what you have done so far to prepare for the 2000 Census.

Mr. SCARR. Mr. Chairman, among the activities are a series of large research projects, one of them called the short questionnaire test, which examined the relationship between the friendliness of the form that was administered in the Census and the length of the questionnaire, to the response rate to that questionnaire.

Mr. SMITH. Is there more than one questionnaire?

Mr. SCARR. There were essentially five sample questionnaires in that test, Mr. Chairman.

Mr. SMITH. And how long are those questionnaires compared to the one used last time?

Mr. SCARR. The longest was the same length as the short form used in 1993. There was no long form administered in that test.

Mr. SMITH. What is the shortest form?

Mr. SCARR. The shortest one was a so-called, quote, unquote, postcard census, Mr. Chairman. It simply asked for name and date of birth.

Mr. SMITH. And you haven't tested that yet?

Mr. SCARR. We have. We have gone into the field and we have administered those questionnaires to different samples of respondents.

Mr. SMITH. What is the result of those tests?

Mr. SCARR. The results are fairly complex, and I would be pleased to provide the committee with a detailed statement and a detailed report of the results. But briefly, the user friendly part of the questionnaire seemed to enhance the response, although response enhancement occurred more in areas that had responded positively to the 1990 Census than they did in areas that had responded less well to the 1990 Census. But the friendliness of the form seems to be useful in increasing the rate of response.

[CLERK'S NOTE.—Subsequent to the hearing, the following information was provided:]

SIMPLIFIED QUESTIONNAIRE TEST (SQT)

FINDINGS AND IMPLICATIONS

Prepared By:

Year 2000 Research and
Development Staff
March 1993

INTRODUCTION

This report summarizes the key findings and implications from the Simplified Questionnaire Test (SQT). A more detailed description of the test, copies of the forms used in the test, and test results, as well as information on estimating the full cycle costs for the SQT are contained in the following attachments: (1) National Census Test (SQT) Overview and copies of the five forms; (2) Final Results of the Mail Response Evaluation for the Simplified Questionnaire Test (SQT); (3) Revised Item Nonresponse Results for Social Security Number from the Simplified Questionnaire Test (SQT); (4) Simplified Questionnaire Test (SQT) Item Nonresponse Evaluation; (5) Evaluation of the Telephone Debriefing for the Simplified Questionnaire Test (SQT); and (6) Estimating the Full Cycle Costs for the Simplified Questionnaire Test (SQT).

The primary motivation for the SQT was the large drop--10 percentage points--in mail response rate for 1990 compared to 1980. The major objective was to determine if form length affects response rate. Although in 1990 the response rate for the long form was 6 points lower than that for the short form, thus indicating there is a relationship, the focus of the SQT was whether making the form even shorter than the 1990 short form would increase response rates. In addition to determining whether form length affects response rate, the SQT also was designed to test whether using a respondent-friendly form would increase mail response rates. In support of research on expanded uses of administrative records, the SQT studied whether requesting social security number for each household member would decrease response. Administrative records could be used to wholly or partially replace the traditional methods of census taking which use mail questionnaires and personal visit by enumerators. The social security number is one way to link individuals and the demographic and housing data contained in many Federal, state and local data bases and could enable the Census Bureau to locate persons holding a social security number by identifying them in a master file regardless of their physical location.

KEY IMPLICATIONS

1. ***Based on the findings of the SQT we have committed to using a respondent-friendly design for the 2000 census questionnaire and we are developing the technology to process respondent-friendly forms.***

2. ***We have committed to using a full implementation strategy, including a replacement questionnaire, and we are continuing to explore the operational feasibility and cost effectiveness of this strategy.***

3. ***We are investigating the effect of the treatments and design on response rate compared to the effect of the census environment, with intense outreach and publicity, to determine the magnitude of these effects in a census climate.***

4. ***We are pursuing further research on SSN as a way to link administrative records, but also are exploring alternatives to collecting SSN on the census questionnaire.***

5. ***We are researching the effect of respondent-friendly design and implementation treatments on the long form, the effect of various appeals messages, and other means of increasing response rate.***

METHODOLOGY

There were four experimental forms and one control form for this test. The control form used for the test was the same as the 1990 short form, with a total of 14 questions. This form is referred to as the 90SF. Several techniques were used to make the four experimental forms more "respondent-friendly": the same family of graphics--color, shading, typeface and the like--throughout the form; asking the name of household members only once; eliminating the row-column format; putting instructions directly on the form; and using other design features to make it easier to identify the correct space for each person's answers to facilitate response by households of unrelated individuals. All four experimental forms shared these features. One of the experimental forms had all of the questions from the 1990 short form except the household roster on the cover, but is in a booklet format and is referred to as the BOOKLET. Another form, referred to as the MICRO form, asked only five questions-- name, date of birth, gender, race, and Hispanic origin -- key data needed for reapportionment, redistricting, and enforcing the Voting Rights Act. A similar form asked these five questions and also requested social security number for each household member. This form was referred to as the MICRO/SSN. The shortest form asked only for name and date of birth--the minimum needed to produce counts for reapportionment and redistricting. This form is referred to as the ROSTER.

The sample was designed to provide information on whether test results differed in areas that had the lowest response to the 1990 census (LRAs) from all other areas--those with higher response rates (HRAs). To ensure maximum response rates and to study other factors that may influence response such as the number of respondent contacts, an implementation strategy comprised of a prenotice, a thank you/reminder card, and a replacement questionnaire was used for all forms in both strata.

FINDINGS

SQT COMPLETION RATES*			
	OVERALL	1990 HIGH RESPONSE AREAS	1990 LOW RESPONSE AREAS
1990 SF	63.4	65.8	45.2
BOOKLET	66.8	68.7	52.7
MICRO	71.4	73.5	55.1
MICRO/SSN	68.0	70.5	48.9
ROSTER	70.9	73.1	54.6

*Sample data; not all differences are statistically significant

$$\text{*Completion rate} = \frac{\text{number of forms returned}}{\text{total number of forms mailed - PMRs}}$$

1. ***Asking fewer questions improved completion rates overall and in areas that had higher response rates in 1990, but did not improve rates for areas that had low response rates in 1990.*** Completion rates for the three forms with similar design but different length are relevant to this finding: the BOOKLET, the MICRO, and the ROSTER. Overall, and in areas that had higher response rates in 1990, SQT households were more likely to return both the MICRO and the ROSTER, compared to the BOOKLET. But, there were no significant differences among the three forms in the areas that had the lowest response rates in 1990.

   We conclude from this finding that a minimal household roster form cannot be expected to improve response rates over a form which collects basic demographic information.

2. ***Using a respondent-friendly form improved completion rates overall, and for the areas that had the lowest response rates in 1990, but had no significant effect on the completion rates for areas that had higher response rates in 1990.*** The forms of interest for this comparison are the forms with the same length, but with different designs-- the 90SF and the BOOKLET. Overall and in areas that had the lowest 1990 response rates, completion rates for the BOOKLET were significantly higher than for the 90SF.

However, the BOOKLET showed no important difference in completion rates from the 90SF in areas that had higher 1990 response rates.

This finding suggests that using respondent-friendly construction methods is a promising way to increase response to mail questionnaires for areas that were difficult to enumerate by mail in 1990. Whether these construction methods will have similar success with forms of greater length is a topic for future research in the Questionnaire Response Improvement Research Program (QRIRP).

3. ***The combination of asking fewer questions and using a respondent-friendly form improved completion rates for all areas.*** A comparison of the completion rates for the 90SF and the MICRO form provides data for this finding. It is clear we can increase response rates in all areas by combining shorter forms with respondent-friendly construction. The trade-off between gains in response rate and the loss of housing, relationship, and marital status data is being analyzed by the 2000 Task Force in identifying data needs for the 2000 census.

4. **Asking for social security number lowered completion rates overall and for areas that had the lowest response in 1990, but not for the areas that had higher response rates in 1990.** The completion rates for the MICRO and the MICRO/SSN are compared for this finding. Overall, and in the areas of lowest 1990 response, the completion rate was significantly lower for the MICRO/SSN than the MICRO.

5. ***For households returning the MICRO/SSN form, those that failed to answer the SSN question, combined with those for whom the SSN was missing for at least one household member, would require an incremental increase in nonresponse followup of approximately 21 percent.*** **Among those returning the form approximately 14 percent failed to provide SSN and over 17 percent of the households had at least one member with missing SSN.**

6. ***Sending a replacement questionnaire improved completion rates for all areas, for all questionnaire lengths, and for all questionnaire designs.*** Overall, the MICRO form showed a significantly higher proportion of questionnaires returned than the BOOKLET or the 90SF. In the lowest 1990 response areas, the 90SF, the MICRO and the MICRO/SSN all showed significantly lower proportions of questionnaires returned when compared to the areas that had higher response rates in 1990.

   While the effect on completion rates of the replacement questionnaire was clearly positive and very encouraging regardless of form type, the cost and technical feasibility in timing of nonresponse followup must be weighed against completion rate gains to determine the net benefit.

Increasing response rates by using shorter, respondent-friendly forms and a multiple-contact implementation scheme must be considered in light of the impact on other census activities to determine the net benefit. The next section briefly discusses the issues for full cycle cost analysis raised by the SQT results.

ISSUES IN THE DETERMINATION OF FULL CYCLE COST ANALYSIS

Questionnaire simplification will impact total costs for the year 2000 cycle. The way in which costs will change is a function of the complete census design, but the specific effects of questionnaire changes, holding constant all other aspects of the census cycle, can also be examined.

Census Bureau computer models, which function at a high level of detail in their depiction of the census process and its associated operational workloads, staffing, and costs, have been utilized to explore potential cost savings from questionnaire simplification. For the purpose of examining the impacts of the changes suggested by the four simplified questionnaire test panels, the 1990 census design was used as the modeling baseline.

Two different kinds of results occur across the SQT panels. One is the improvement in response rate due to forms that are easier to use, or contain fewer questions, or both. This improved response rate reduces the data collection workload of the massive nonresponse followup operation, as well as many activities which support it, including management of district offices and regional centers; postage, transportation, equipment and supplies; printing support of these offices; and unemployment compensation costs for a reduced work force. But costs for processing and printing forms can increase in scenarios where the questionnaire is made easier to use (but the number of questions is not decreased) through larger print, or more pages. Costs for processing are directly related to the efficiencies of the technology used for primary data capture.

A larger impact, which accompanies that of response gains, can come from reducing the number of questions. This can have large effects on field data collection and associated costs, as interview time and therefore overall productivity is speeded up through the shortening of the questionnaire. A smaller number of questions can also reduce printing and mailing costs, and decrease costs in the tabulation and publication program.

All of these issues and their companion assumptions and estimated cost impacts for each SQT panel are detailed in Attachment 6, Estimating the Full Cycle Cost for the Simplified Questionnaire.

Mr. SMITH. The three questionnaires that are "in between", what kinds of questions were added back on them?

Mr. SCARR. Essentially, the three in between questionnaires eliminated the housing questions and had the demographic data that were necessary for voting rights purposes. Let me outline the five. That is the simplest thing. There was the 1990 short form in its original form. There was the 1990 short form in a user friendly format which contained all the questions.

There was a so-called micro-census which was one sheet which included questions other than the housing questions. There was a microform that included the social security number and all the questions other than the housing questions and there was the so-called postcard census. Essentially changing from the 1990 form to the other forms enhanced the response rate and there was some enhancement when you went from the user friendly 1990 form to the microform. There persisted a difference between areas that had responded positively in 1990 and areas that had responded less positively in 1990. The forms did not eliminate that difference.

Mr. SMITH. Now, in your test did you use mail for all of these?

Mr. SCARR. Yes.

1990 CENSUS

Mr. SMITH. What kind of response did you get back?

Mr. SCARR. The overall response rate for the 1990 short form was roughly 63.4 percent in the areas we tested. The overall for the booklet, which was equivalent to the short form but was friendly, was 66.8 percent. The overall response rate for the one microform is roughly 71.4 percent. The microform including social security number was 68 percent, and the roster form was roughly 70 percent. Now, there is a difference—that is overall. There is a difference between high response areas and low response areas.

Mr. SMITH. The postcard was 70 percent?

Mr. SCARR. Yes.

Mr. SMITH. What was 71.4 percent?

Mr. SCARR. That was the micro. That was the single sheet with sufficient information for voting rights, not including the housing data.

Mr. SMITH. Do you have an explanation for why there isn't a whole lot of difference? Why would one be more than the postcard?

Mr. SCARR. It is not statistically significant, Mr. Chairman.

Mr. SMITH. And all of these were by mail?

Mr. SCARR. That is correct.

ASSISTANCE OF POSTAL SERVICE

Mr. SMITH. Have you tested or do you have plans to test the idea of the mail carriers?

Mr. SCARR. We have detailed a series of options for using the Postal Service in different ways than we used it in 1990. We essentially have three enhancements that we are looking at.

This is a concept paper that we shared with committee staff. We are looking at an expanded role for the Postal Service in questionnaire delivery; we are looking at some assistance from postal carriers in follow-up activities, (but that presents some complications because they have full-time jobs in addition to their follow-up activities) and we are exploring the more intensive use of employees as recruitment sources, if that would be possible in addition to their ordinary work. But we are basically looking into that quite seriously to see how we can enhance their use.

Mr. SMITH. I know you are in touch with them, but how closely are you in touch with the authorizing committee on these five proposals?

Mr. SCARR. On the five forms of the questionnaire? We briefed the authorizing committee extensively, and the authorizing committee held a hearing with respect to the results of the short form-short questionnaire test.

Mr. SMITH. Now, we have had the idea on this subcommittee, Mr. Early was the one that promoted it strongly many years ago, of using mail carriers to assist, to the extent they voluntarily want to do so. They know everybody on their route, and they have the number of people that they deliver mail for.

It just seems so advantageous, both from the standpoint of not having to have all that schooling, not having to hire all of those people, and to have to detail them. I just think you would get a lot better response, and I don't think we would have the over-counting which we know exists from people who live with their mother or with their girlfriend in one Census district, and maybe by themselves in another apartment.

You wouldn't have that either, because they probably get mail at one place. It just seems to me that we need this, but in addition, you are going to get a far greater response. Seventy percent is still not real big, is it?

Mr. SCARR. It is not as large as the largest response we have had in the Census, but this is a test.

RESPONSE RATE OF 1990 CENSUS

Mr. SMITH. Well, if some don't respond, then you don't know what you have. I mean if even 15 percent don't respond, you have a greatly skewed census. What was the final response rate on the last census?

Mr. SCARR. Well, the final response rate in total, Mr. Chairman, was 98.4 percent, but the initial response to the mailing was between 63 and 64 percent. And the remainder were collected by other means.

INFORMATION ON QUESTIONNAIRE

Mr. SMITH. The other thing I want to discuss is about the amount of information on the questionnaire. It was mind boggling to see the number of questions on that questionnaire. Are you at the point of being able to make a recommendation on the form to be used and the number of questions to be asked in the 2000 Census?

Mr. SCARR. The process for looking at content has just begun. That process is being coordinated by OMB. We will have some recommendations for census features to test by this fall, but the content is usually not determined until later in the decade. We are working now with Federal agencies to look at their content needs.

Congressional notification is required for the content at the point in time where it comes through.

COST AND VALUE OF INFORMATION

Mr. **Smith**. Well, the other thing is, of course we need to count the number of persons; that is what the Constitution says. In addition to that, if you want to get other information, it is not of too great a use if you don't get it out for a couple years after it is collected. Therefore, we can do without some of those questions.

Now on the economic census, I suppose everybody wants you to collect information for them, but they don't want to pay the full rate; is that it? For example, the housing people, the rose growers and everybody else.

Mr. **Scarr**. Yes. The economic census attempts to cover all the business establishments once every five years in addition to covering agricultural activity once every five years.

Mr. **Smith**. Have you done any studies to show what it costs you to collect the information compared to what you are getting paid for it?

Mr. **Scarr**. We know what is budgeted for our collection costs. OMB has done some studies of burden and we have tried to estimate how long it takes people to fill out the questionnaires, but we have not done an extensive cost study of how much it costs to fill out the questionnaires by establishments.

Mr. **Smith**. I don't know if that is really what I am thinking about. I am thinking about the cost to the government, and whether or not it is of that much value to the people that are getting the information.

Mr. **Scarr**. We don't recover the cost, we simply collect the information as part of this program as general purpose statistics that are provided to a variety of users and are also provided to the Bureau of Economic Analysis for its construction of the Gross Domestic Product.

Mr. **Smith**. So long as it is free, they are sure they are going to say they want it. But if they were told, we can do this for you, but it is going to cost you so much money; we don't have any figures to tell them, do we?

Mr. **Scarr**. We can indicate to them what it costs us to collect certain amounts of information.

Mr. **Smith**. Do you have those figures pretty well?

Mr. **Scarr**. We have the figures for the whole thing. I can provide you with more detail, but we just have the gross figures.

Mr. **Smith**. I suppose there is no way to break that down between the different categories?

Mr. **Scarr**. Yes, that can be broken down between different categories, yes.

Mr. **Smith**. Do you have that in a form that we can put in the record?

Mr. **Bellomo**. We have it broken down into the census of manufactures, for example, a figure on the census of horticulture last time, those sorts of things. I can provide that, yes, sir.

Mr. **Smith**. Horticulture, is that broken down below that category?

Mr. BELLOMO. I will have to check it.

Mr. SMITH. Just for an example. For manufacturing, or is it broken down into just a category of manufacturing, is it broken down into the types of manufacturing?

Mr. BELLOMO. It is possible, sir. I will check and see what we can do, and try to get the detail that you want.

[The information follows:]

Cost of 1992 economic and agriculture censuses

	Thousands
1992 Economic Census:	
Census of business	$83,477
Census of construction	15,412
Census of manufactures and mineral industries	40,869
Transporttion characteristics program	8,212
Census company statistics program	12,707
Total, 1992 economic censuses	160,677
1992 Census of agriculture	89,722

The 1992 Census of Agriculture does not include the Census of Horticulture Specialties, which is conducted on a 10 year cycle, and was last done in 1988. The cost of the 1988 Census of Horticulture Specialties was $1,605,000 in the 1987 Census of Agriculture.

Mr. SMITH. Mr. Rogers.

1990 CENSUS

Mr. ROGERS. Thank you, Mr. Chairman.

Let me follow up with areas the Chairman has already opened. One is the length of the Census 2000 questionnaire. I guess this is anecdotal information, but I have heard it numerous times. People just simply threw away the 1990 long form rather than try to fill it out. Too many questions are being asked. Consequently the percentage of people who sent it back in was extremely low.

I think a lot of the information on the last census form could as easily have been gained by polling rather than enumerating, and I wonder who wanted us to ask all those questions in the first place. You know, let's say I am in the department of X, Y or Z in the government and you come to me and say what do you want to ask in the census. Well, I am going to think of many questions which may or may not have anything at all to do with the governments "need for us to know". By the time we are finished, we have got a form that is so long no one is going to take the time to answer. So it means nothing to anybody.

We are not the authorizing committee, but I tell you, the 1990 Census in my judgment was botched. I told the Director that last year and the year before that. A lot of people never got counted. I know my next door neighbor didn't, and many others have personally told me they were not counted either. I just know that a lot of people were missed.

So I am concerned about the length of that questionnaire. That we gain by enumeration only what we have to, and leaving it to the private sector to do the polling if they want to know how many tomatoes are grown in southwestern Indiana. We don't need to mess up the enumeration system which the Constitution requires, and which obviously we have a desperate need for, by asking unnecessary questions.

The other concern that I have is related to the way you survey the population. I think it is the epitomy of idiocy to hire people who are otherwise unemployable, which we did last time, to find out where everybody lives. As the Chairman has said, there is a group of people that knows where everyone lives—the mail carriers.

2000 CENSUS

Now we put money in the FY92 bill for the National Academy of Science to conduct a study on ways to improve the 2000 Census.

Where are we on that?

Mr. SCARR. On the National Academy of Sciences study, sir? Their interim report I believe is due the end of May, and they will basically present their first set of findings from that particular panel.

Mr. ROGERS. Are you working with them on an ongoing basis?

Mr. SCARR. Yes. We provide them with information that they need. But as you know, they are not a government agency, and until their interim report is reviewed very extensively in the academy, it is not a public document. But we have been cooperating with them, we have been sharing information with them, and we look forward to their report as well.

Mr. ROGERS. Well, it seems to me that if we ask as few questions as we can, and get the mail carriers involved—the army of people who knows where everybody lives—I don't see why the Government doesn't take advantage of that tremendous resource that is there.

If it takes a law change, so be it, we can work on it. We have six years to do that. It probably would take a law change to allow the postal workers to directly disclose information that is probably protected as confidential right now.

Mr. SCARR. Yes, sir.

Mr. ROGERS. But that is workable.

Mr. SCARR. One of the options we are pursuing is to see if it is possible to make use of postal carriers in that way and to look into the law and see what modifications are necessary if we want to do that. It is one of the three options that we presented in a paper that was prepared by our 2000 staff directly in response to your interest last year, Mr. Rogers.

ASSISTANCE OF POSTAL SERVICE

Mr. ROGERS. Well, don't you think it makes sense to use the Postal Service people?

Mr. SCARR. I think that they are a source of people to use to do enumeration when it is necessary. They already deliver the questionnaires on the initial go-round. I think that there are some questions that need to be answered because of the additional burden that it would pose for them. But I think it is worth pursuing-allowing them, enabling them to be able to assist in the census and follow-up activities.

Mr. ROGERS. I believe it is a natural. For the life of me I can't see why it wasn't done a hundred years ago. But then again we wouldn't have to have such a big budget for the Census Bureau if we did that.

Now, can you identify what areas you are working on together—I know you are working with the Postal Service?

Mr. SCARR. Yes.

Mr. ROGERS. Do you have any written plans to proceed with your cooperation with the Postal Service?

Mr. SCARR. I think we have an exchange of correspondence, and we are preparing some documentation to work with them on the master address file and TIGER, improving the TIGER maps and working with them to keep our master address file update. I don't know if there is literally a plan for that yet, but there have been intensive discussions, which have included members of our oversight committee staff, as well. We have encouraged that activity.

I will be happy to look and provide you with what we have, Mr. Rogers.

Mr. ROGERS. Okay, good.

[The information follows:]

COOPERATION WITH U.S. POSTAL SERVICE

The Census Bureau and the United States Postal Service (USPS) have several documents that establish the framework for cooperation on programs that will improve the 2000 decennial census and the other statistical programs on which the two agencies routinely cooperate.

- In November 1990, the Census Bureau and the USPS signed a formal agreement (see Attachment 1) to establish an interagency Joint Committee for Census Planning. This Joint Committee, composed of representatives of each organization, was established to determine how the USPS and the Census Bureau can work together in ways that will best contribute to the success of future censuses. The Joint Committee has established two subcommittees to explore specific areas of cooperation: One is looking at ways in which the USPS and the Census Bureau can cooperate to encourage local efforts to convert from rural-style to city-style addresses; the second is looking into possible changes in legislation that will allow the USPS and the Census Bureau to share their address information. Both subcommittees and the full Joint Committee meet on a regular basis and are making progress.

- In July 1992, Postmaster General Runyon designated a USPS contact person (see Attachments 2 and 3) to spearhead USPS activities directed specifically at the proposed cooperative program related to the TIGER System and its related Master Address File. This process culminated in a November meeting between USPS staff from the National Address Information Center (subsequently renamed the National Customer Support Center) and Census Bureau staff from the Geography Division and the Year 2000 Research and Development Staff. The agreements reached during that meeting were summarized in a letter from the Center's Manager with a confirming response from the Chief of the Geography Division (see Attachments 4 and 5).

Pursuant to the general objectives outlines in Mr. Murphy's letter, especially points 2, 4, and 6, staff from the two agencies have met several times, most recently on March 26, 1993, to craft a plan for sharing address information. Bearing in mind the legal restraints imposed on address sharing by Titles 13 and 39, U.S. Code, the meeting attendees agreed that the initial step in this direction would involve a test study in which:

1. The two agencies will identify a total of five three-digit ZIP Code areas for which individual addresses (NO person names) on the Census Bureau's1990 Address Control File (ACF) will undergo an automated match against the USPS's files, conducted by USPS personnel.

   Status: The agencies have agreed on the five three-digit ZIP Codes, and the Census Bureau has provided a record layout of the ACF extract to the USPS. The Census Bureau has begun extracting the addresses from the ACF, but no addresses have left Census Bureau custody pending completion of the procedures required in Item 2 below.

2. All USPS staff who will have visual access to the ACF addresses must become "Special Sworn Employees" of the Census Bureau. The oath can be taken in the presence of a notary, but the Census Bureau must receive fingerprints and background information before the oath can be administered and release the file of addresses.

   Status: The USPS employees at the Center are filling out the forms provided by the Census Bureau and expect to forward the completed forms to the Census Bureau by May 7, 1993.

3. As a product of the automated address matching process, the USPS will provide a computer file to the Census Bureau that identifies the specific deficiencies that the USPS found, on an address-by-address basis for undeliverable ACF addresses, and within the constraints of Title 39, on an address-by-address basis for missing ACF addresses. If the latter is not immediately possible, the USPS will provide a list of street names missing from the ACF, with the address RANGES pertaining thereto.

   Status: The USPS is still working on a draft record layout for the file of match results. USPS legal staff have recommended against providing any individual addresses to the Census Bureau as part of this test but are working to define a process consistent with the requirements of Title 39.

4. The USPS will provide a written description of what the test entails, in the form of an interagency agreement, specifying the contributions and responsibilities of both agencies vis-a-vis the test.

   Status: A draft of interagency agreement is scheduled to arrive by May 7, 1993 for Census Bureau review.

The following five documents are attached:

1. Agreement Between the United States Bureau of the Census and the United States Postal Service (November 21, 1990)

2. Letter from Barbara Everitt Bryant, Director, Bureau of the Census, to Marvin T. Runyon, Jr., Postmaster General-designate (June 29, 1992)

3. Letter from Marvin Runyon to Barbara Everitt Byant, Director, Bureau of the Census (July 23, 1992)

4. Letter from Michael L. Murphy, Manager, National Customer Support Center, U.S. Postal Service, to Robert W. Marx, Chief, Geography Divison, Bureau of the Census (November 24, 1992)

5. Letter from Robert W. Marx, Chief, Geography Divison, Bureau of the Census, to Michael L. Murphy, Manager, National Customer Support Center, U.S. Postal Service (December 3, 1992)

ATTACHMENT 1

AGREEMENT BETWEEN THE UNITED STATES BUREAU OF THE CENSUS AND THE UNITED STATES POSTAL SERVICE

I. PURPOSE.

The purpose of this document is to establish an interagency Joint Committee for Census Planning, composed of representatives of the United States Bureau of the Census and of the United States Postal Service. By building on a 30-year history of cooperation between the Bureau of the Census and the nation's postal system, the Joint Committee will determine how the Postal Service can best contribute to the success of future censuses.

II. TOPICS FOR INVESTIGATION.

The topics which the Joint Committee will examine include, but are not limited to, the following:

A. Increased use of automated systems for address list development and maintenance, including ZIP+4 coding of census address files.

B. Joint efforts to encourage conversion of rural-style addresses to city-style addresses and to develop a system to determine the street address locations of post office box customers.

C. Continuing improvements in the design and development of census mailing packages, including use of prebarcoding, to take greater advantage of the Postal Service's automated mail processing equipment.

D. Tabulation of census data by ZIP Code area.

E. Possible increased use of postal employees' knowledge of their delivery areas in the development of census address lists and in the actual census-taking process.

III. MEMBERSHIP AND COORDINATION.

The Joint Committee shall include specific working groups within the Bureau of the Census and the Postal Service and will serve as the liaison between the two organizations. A designated representative from the Bureau of the Census and the Postal Service will provide overall coordination for the Joint Committee within the respective organizations. Staff members working on specific projects, however, may continue to work directly with their counterparts in the other agency on those projects.

IV. ADMINISTRATIVE MATTERS.

A. As needed, working groups will meet to research specific issues, prepare reports, and provide recommendations or suggestions. The Joint Committee will report, as necessary, to the Director, Bureau of the Census and the Postmaster General concerning its activities and any recommendations.

B. The Bureau of the Census and the Postal Service will each provide the funding and support services for their members of the Joint Committee. The Postal Service, however, shall be reimbursed for the cost of performing specific tasks it undertakes as part of a particular census in accordance with such terms as may be established by separate interagency agreements.

V. EFFECTIVE DATE.

This agreement is effective when signed by both parties.

Approved and Accepted for the
United States Postal Service

By: ANTHONY M. FRANK
Postmaster General

Date: 11/20/90

Approved and Accepted for
the United States
Bureau of the Census

Barbara Everitt Bryant

By: BARBARA EVERITT BRYANT
Director

Date: November 21, 1990

ATTACHMENT 2

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, D.C. 20233

OFFICE OF THE DIRECTOR

JUN 29 1992

Mr. Marvin T. Runyon, Jr.
Postmaster General-designate
400 West Summit Hills Drive
Knoxville, Tennessee 37902-1415

Dear Mr. Runyon:

Congratulations on your new position. The U.S. Postal Service and the Census Bureau enjoy a strong relationship built over the years through mutual cooperation on activities related to taking our Nation's population, housing, economic, agriculture, and governments' censuses. I look forward to working with you as we continue this tradition of cooperation that has improved the quality of the Nation's statistical programs.

Staff at both agencies recognize the need to work even more closely in the future to ensure the lowest cost and best service to the American people. The House Committee on Post Office and Civil Service (which provides oversight to both organizations), the General Accounting Office (which reviews many aspects of our operations), the Office of Management and Budget (which constantly watches our activities), and leaders in the business community and the general public recognize the need and expect us to apply sound management practices in directing the work of our agencies.

Recently, staff at both agencies participated in a pilot project that can improve the competitive position of the U.S. Postal Service and the quality of the statistics delivered by the Census Bureau. This program, if implemented nationally, will provide a high quality, continuously updated geographic data base for the entire United States that the U.S. Postal Service can use to further automate and enhance its mail sorting and delivery services operations. The Census Bureau can use this same data base to organize its mailing lists and prepare accurate maps to support its data collection operations.

The shared data base developed in the pilot project starts with the existing national resource created by the Census Bureau and the U.S. Geological Survey--the TIGER File--to avoid the costly and duplicative efforts required to create a new file for this purpose. It uses the knowledge of U.S. Postal Service letter carriers to identify new streets, street names, addresses, and ZIP+4 Codes to improve the content of the existing data base. By sharing the work, neither agency incurs the full cost of preparing and updating this massive file while both derive the operational benefits of the information and the political benefits of having worked cooperatively.

Cooperation between our agencies to support future census-taking operations is of great interest to our Congressional oversight committee as well. At a recent hearing, the members again expressed their desire that the Census Bureau and the U.S. Postal Service work even more closely in the future. As part of our research and planning efforts for the 2000 census, we are developing several ideas to expand the range of activities that we cooperatively worked on in the past. Since the 1970 census, the procedure we use to take the census for a majority of American households is the mail-out/mail-back method. We also rely heavily on the U.S. Postal Service for updates and questionnaires. New approaches for postal involvement in taking the census will focus on ways to use the strengths and expertise of the U.S. Postal Service to improve census methods. We are anxious to work with you to evaluate the feasibility of these proposed methods.

I propose that we schedule a meeting for later this summer to discuss the outcome of your evaluations of the TIGER pilot project as well as new ideas for continued cooperation between our agencies. If you agree, we will work with your staff to set a time and place that is convenient for you.

Sincerely,

signed Barbara Everitt Bryant

Barbara Everitt Bryant
Director
Bureau of the Census

ATTACHMENT 3

THE POSTMASTER GENERAL
Washington, D C 20260-0010

July 23, 1992

Honorable Barbara Everitt Bryant
Director
Bureau of the Census
Department of Commerce
Washington, D.C. 20233-0001

Dear Dr. Bryant:

Thanks for your kind words concerning my appointment as Postmaster General. I look forward to the challenge this position presents to make the Postal Service a model of efficiency and to provide our customers with the quality service they expect and deserve.

I understand there are opportunities for us to share the benefits of our mutual efforts in computerized modeling and mapping. The Postal Service continues to evaluate the operational benefits of several different geographic modeling systems and their potential contributions to carrier route management. According to current plans, these evaluations will be completed in the next two months. At that time, specific requirements for the selected system will be identified and procedures put in place to gather the information needed for mapping. We need to eliminate information system duplicate efforts between our organizations and explore how we can link together the information sources we each control. Expanded and enhanced information systems will add quality improvements to both of our customer products.

We agree with your recommendation that the Census Bureau and the Postal Service work closely together during the preparation for the next census. Information systems are in place which can assist in the development, maintenance and updating of address lists. I am sure the Postal Service will assist to the extent possible by law.

Please have your representative contact Robert G. Krause, Director, Office of Address and Customer Information Systems at (202) 268-3595 to discuss the TIGER pilot project and other topics.

Best regards,

Marvin Runyon

Marvin Runyon

ATTACHMENT 4

NATIONAL ADDRESS INFORMATION CENTER
UNITED STATES POSTAL SERVICE
6060 PRIMACY PKY STE 101
MEMPHIS TN 38188-0001

November 24, 1992

ROBERT W. MARX
CHIEF
GEOGRAPHY DIVISION, BUREAU OF CENSUS
5001 SILVER HILL RD
SUITLAND MD 20746-5215

Dear Bob:

In a cooperative effort with your office and the Bureau of Census the Postal Service has defined the following objectives we would like to accomplish. Listed in priority;

1) Attain the Congressional District Code for all states and counties within the United States. Apply the correct ZIP+4 Code to each address in the district and then update the Postal Address Management System File. Establish an ongoing cycle with Census to supply the Postal Service a data file of congressional district changes when they occur.

   The following information exchange would take place on electronic media.

2) Accept the Bureau of Census Address Control File (ACF) for review. The review will include address standardization, ZIP+4 Coding, and identification of undeliverable as address records. Also recommend to Census the most cost effective presort approach for their periodic mailings.

3) Provide to Census the delivery address for all post offices throughout the country.

4) In a coordinated effort develop a strategy in applying Locatable Address Conversion Service (LACS) addressing changes in a timely fashion to Census ACF Address File and the Tiger/Line File.

5) Using Census data generate hard copy maps which includes at a minimum street attributes, congressional district, counties, carrier ID, and post offices.

6) Provide a workable solution in keeping Census Data File current with address information, address standardization and ZIP+4 Coding.

Prior to our next meeting we would welcome a list of objectives the Bureau of Census would intend to satisfy during this cooperative effort.

As this effort proceeds additional objectives may be identified. We would like to begin discussions with your group the week of November 23, 1992, if agreeable. I've assigned Ron Gordon of my staff as the lead person in this project. Ron can be contacted at 1-800-331-5746 to arrange a meeting.

Sincerely,

M. L. Murphy

Michael L. Murphy
Manager
National Customer Support Center

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ATTACHMENT 5

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, DC 20233-0001

DEC 3 1992

Mr. Michael L. Murphy, Manager
National Customer Support Center
United States Postal Service
6060 Primacy Pky, Suite 101
Memphis, TN 38188-0001

Dear Mike:

Thank you for your letter defining the objectives that the U.S. Postal Service would like to accomplish as part of a cooperative effort with the Bureau of the Census. We share your interest in accomplishing these objectives; we will provide our thoughts on possible additional objectives in the near future.

We understand that since our initial meeting, Ron Gordon has received all remaining files equating 1990 census blocks with the districts of the 103rd Congress. In addition, Dan Harding of my staff has talked with Ron about another product we have -- the Address Reference File (ARF) developed to support our 1992 economic censuses -- that might help with the task of equating ZIP+4 Codes with these new Congressional Districts. Dan and other members of our staff will talk with Ron further about ways to accomplish the first objective described in your letter before the end of 1992 for the districts of the 103rd Congress. We will, of course, be pleased to work with you to update the Congressional District information as various states submit revised plans for future congresses.

To accomplish the second and fourth objectives described in your letter, we need to ask for your understanding of, and cooperation in dealing with, two constraints we face. First, our Address Control File (ACF) was prepared under the provisions of Title 13, United States Code. This title requires that the Census Bureau safeguard the confidentiality of the information in this file and stipulates penalties of up to a $5,000 fine and/or up to 5 years in prison for violation of this public trust. Needless to say, no one here, and I am sure no one at the National Customer Support Center, wants to deal with either of those situations. Second, we have a Supreme Court ruling that affirms the sanctity of Title 13 and the address information in the ACF.

To deal with these constraints in the near-term, we propose treating objectives 2 and 4 as a pilot project at this time. This pilot project will explore the operational feasibility of interagency cooperation to achieve these objectives and provide statistics that we can use to pursue development of a strategy to deal with these objectives in the long-term. At the same time, your staff can document the fact that the ACF qualifies for automated processing under the conditions mandated by U.S. Postal Service regulations

To proceed now, we will "swear in" as "Special Census Agents" those people in the National Customer Support Center who will have access to the ACF and stipulate that they not disclose any specific information it contains to anyone other than another "sworn" person.

Needless to say, we want to resolve the Title 13 issue well in advance of the 2000 decennial census. As a first step, we are enclosing a copy of Title 13 and the Supreme Court ruling. We suggest that you provide this information to the General Counsel for the U.S. Postal Service, invite their reading of the material, and seek any suggestions they might be able to provide for establishing a permanent arrangement for working together to maintain the information in the ACF in compliance with these constraints and U.S. Postal Service regulations. At the same time, others in the Census Bureau will be pursuing possible changes in this law with members of our Congressional Oversight Committees. The Census Bureau is doing this because of its desire to build new partnerships with not only the U.S. Postal Service, but also local governments across the United States who share the concern about the address list being complete and accurate at the time of each decennial census. Doing all the foregoing should also help both agencies accomplish objective 6.

We look forward to working with you and your staff to accomplish the other objectives identified to date and the new ones that we agree in the future are worthy of a cooperative effort. Please feel free to call me at (301) 763-5636 if you wish to discuss any of the concerns I have raised or other arrangements for accomplishing these objectives.

Sincerely,

Signed: Robert W. Marx

ROBERT W. MARX
Chief, Geography Division
Bureau of the Census

Enclosures

Mr. ROGERS. Well, this subcommittee has worked very closely with the chairman of that committee, and I think we are pretty much in agreement in all aspects involving the Postal Service; isn't that right Mr. Chairman?

Mr. SMITH. As far as I know, we are. I just think everybody around here says, look, this system isn't working. We have to count the number of persons. If you want all that other information, do it in a separate census, in a survey or do it somewhere else, but count the number of persons and give us the figures right away and do all that commercial stuff somewhere else.

Mr. ROGERS. If at all.

Mr. SMITH. If at all.

CENSUS QUESTIONS

Mr. ROGERS. I mean they can do that by polling. Where do the requests for questions in the survey come from besides governmental agencies?

Mr. SCARR. There are user groups who rely on that.

Mr. ROGERS. Like, for example?

Mr. SCARR. Like marketers, State and local governments, not just the Federal Government. There was a hearing held by the oversight committee looking into the content issue where there was testimony by people who used content other than the basic content several months ago. The data are widely used. I would be pleased to provide you with a list of people who request it and who use it routinely, if you would like.

Mr. ROGERS. Maybe you misunderstood my question, and maybe I misunderstood your answer.

Mr. SCARR. Okay.

Mr. ROGERS. Who suggests what questions go into the questionnaire? Not the product, but the questions.

Mr. SCARR. The first suggestions are based on recommendations from other Federal agencies who are mandated by law to collect certain information for certain programs at various levels of disaggregation, and that is the process that is going on now.

We are looking into that, under the guidance of OMB, what other Federal agencies anticipated information needs are, statutorily mandated and programmatically mandated for the year 2000, and we are also asking for it under a variety of design conditions. In addition, we are asking them what other possible sources of information are available.

Mr. ROGERS. So it is strictly governmental agencies that suggest questions?

Mr. SCARR. The first step, sir. Then there are a series of hearings.

Basically, the content effort goes on until much later in the decade, until content is presented to the Congress for its approval in general form and then in the form of specific questions somewhat later. But then there are hearings, there are no formal hearings, but there are visits to State and local governments. Through our advisory committees, our technical advisory committees, our minority advisory committees, we receive input on content that is desired for the census.

Mr. ROGERS. I tell you, you can tell it is a committee-made machine. It is the most unintelligible questionnaire I have ever seen. I don't think you could have made it more complex than you made it last time. I am a lawyer, a Member of Congress, educated, and I can't understand it. And I know there are millions of people out there who took one glance at that thing and said I won't even attempt to understand that, and threw it away.

I know that. And you know that, don't you?

Mr. SCARR. We had a pretty good response rate to the long form, Mr. Chairman, nationally, at least, and we are looking into making it more friendly. As I indicated in the discussion of the short questionnaire test, we are looking at dealing with some of those issues that we acknowledge exist with respect to the presentation of the questionnaire mix, and we are encouraged by some of those results.

PROBLEMS IN 1990 CENSUS

Mr. ROGERS. Well, I will just tell you now, and I am going on the record again for another year, I am going to bird-dog this thing all the way through. You absolutely goofed the 1990 Census. To me it is simple. The questionnaire is too complex; you hired a bunch of people that didn't know what they were doing to follow up on the survey and it was not followed up on.

My next door neighbor repeatedly requested a form and never got one. How many millions of people are there like my next door neighbor? And I think the rural areas were not counted anywhere near like they should have been in the country, particularly in Appalachia.

I am going to watch every step you make, and I am going to insist that there be some changes this time in the census, or I am going to try to block all the funding for it. I will be frank with you. I will do everything I can to block the funding and not even have a census if we can't do it right.

So I am looking for an easy, quick form for the average person to read, not you and me. I don't think the drafters of the questionnaire adequately took into account a lot of the less educated, particularly older people who didn't want to return the form anyway for fear of letting the government know what they were doing.

You have got to understand what it is we are trying to do here. We are just trying to count the number of people in the United States. We are not trying to find out whether they like tomatoes green or fried or purple. If you want to find that out, let somebody else find that out.

We want an enumeration. And if it gets much beyond that, you are going to find somebody here who is going to try to stop the whole thing, pure and simple.

1990 CENSUS ESTIMATE

Mr. SMITH. Where do you get this 98 percent figure from? Ninety-eight percent of what?

Mr. SCARR. Of the total population as estimated by demographic analysis for 1990. That was roughly the final official figure of the Census.

Mr. SMITH. That is 98 percent of what somebody estimated the number would be?

Mr. SCARR. That is correct.

Mr. ROGERS. Will you yield, Mr. Chairman?

Mr. SMITH. Yes.

Mr. ROGERS. How do you know? How do you know it is 98 percent?

Mr. SCARR. The demographic analysis provides an estimate of what the population should be from one decade to the next by basically taking births, immigration, its estimate of the population total at the national level, and then the census total at the national level.

Mr. SMITH. How does that figure in the number of illegals?

Mr. SCARR. The Census doesn't distinguish on the basis of legal status.

Mr. SMITH. I know, but if you did a demographic estimate, surely in 1980 you never would have estimated that there would be as many illegals in the 1980s as there were. So how is your 1990 Census going to square with that?

Mr. SCARR. Well, there is considerable study of estimates of illegal immigrants. In addition to demographic analysis, as opposed to enumeration there are survey estimates of the population. There are three estimates of the population.

USE OF POSTAL SERVICE

Mr. SMITH. Well, we started this Post Office idea many years ago. We said we could do this, we have these great lists of names and we can do this much better than the way we have been doing it.

And you know what? I think it was probably the best thing for that time period. It probably was the best thing the first time it was done, compared to other methods that were available.

But it has gotten so far off track now. We just have to go back to a simple thing of counting the number of persons and let the other things be taken care of separately. I have mentioned this before.

We hadn't decided the agricultural census, and I think it was in 1960, and afterwards they could find out its accuracy by the amount of product that was marketed, and the number of cattle was off by 8 million—that was, 8 percent. I mean, we would have been a lot better off if we had just had a survey made. It would have been closer.

In the meantime, everybody assumed that the first figure was correct and it wasn't correct. And it upset the markets. It would have been closer, they would have had a closer count if they had counted the number of black cattle and multiplied by six. We just have to do something different.

The other thing I want to warn you about is that we have great difficulty because your census is cyclical. You can't do anything about that. The cost is cyclical and we get into those last years and you have hundreds of millions of dollars you need to finish it up, and we didn't have quite enough this time.

The next time around with these budgets the way they are, you may end up getting about three-fourths of the way through the census and not having the money to finish it if you don't get this thing down to where it is simple and easy and costs a lot less money.

You come in here with a bill in 1999 for $300 million more money, you may not get it. Then what do you do? We better have a simple census that doesn't cost much and counts the number of people, which is what is required under the Constitution. If you want to do the other questions, you can do it by survey, but at least we have done what the Constitution requires.

So just really take seriously this thing of trying to figure out how you can use the Postal Service to count the number of persons, and then you have to supplement that, I understand that. There will be some carriers that don't want to do it, and in his district, well, you may have to hire somebody.

Most of the postal people I have talked to would be glad to do that. We could do that on a weekend sometime. It would be faster that way, too.

Mr. ROGERS. Will you yield on that?

Mr. SMITH. Yes.

CENSUS QUESTIONS

Mr. ROGERS. Of course they are in between a rock and a hard place. They have certain laws that Congress has passed requiring them to find out certain information. Could you provide us a list of the statutorily mandated information you must gain from the census?

Mr. SCARR. Yes, we can provide that. There are several versions of that, Mr. Rogers.

[CLERK'S NOTE.—The requested information was provided to Mr. Rogers, and is on file with the Committee.]

Mr. ROGERS. How much of the 1990 form was required by law to be asked? What percent of the total?

Mr. SCARR. I would like to look into that, but I believe that all items on that—on the form—had some—had a statutory mandate, but I will look into it and provide you with a formal response for the record.

[The information follows:]

CONGRESSIONALLY MANDATED QUESTIONS

With only four exceptions,[1] all 1990 census population and housing questions met Federal agency data needs that were based either directly or indirectly on Federal legislation. Some legislation, such as the Voting Rights Act of 1965, as amended (42 U.S.C. 1973aa-1a), specifically required information that could only be obtained from a decennial census because of the relatively small geographic areas for which data were to be obtained. Other legislation, such as provisions of the Civil Rights Act of 1964, as amended, that address affirmative action and employment discrimination (42 U.S.C. 2000e), does not specifically mandate census questions. The intent of the legislation, however, could not be addressed without decennial census information on race, Hispanic origin, occupation, and gender for States, counties and metropolitan areas. A more complete listing of legislative needs for decennial census data, along with specific legislative citations, appears in the Content Determination Report, CDR-14, "Federal Legislative Uses of Decennial Census Data."

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[1] There are two questions needed to ensure coverage of persons within the household. The third question is used as an age "screener" for the labor force and income questions. The fourth question (actually a set of questions) is used as qualifiers for the questions on income and is also used to edit the questions on income.

At this time we are reviewing Federal agency responses to a memorandum from the Office of Management and Budget (OMB) requesting agency content needs for the 2000 census. The OMB has asked all agencies to provide legislative citations to support their data needs and we will be evaluating these responses to validate the needs explicitly or implicitly required by the legislation.

Mr. ROGERS. Well then, if that is so, there is no way you could arbitrarily shorten the form then, is there?

Mr. SCARR. If that is so, then that is correct, but let me look into it to be absolutely certain. I believe that is the case.

Mr. ROGERS. Well, if you could provide us a list of all the information you are required to obtain by existing law——

Mr. SCARR. If I could interrupt one second, Mr. Rogers, the laws usually don't state: Ask a question and literally give you a question. They will say you must collect certain information from the census, and in order to collect the information with the specificity and the characteristics that they ask, you then devise questions.

So it is the content that relates back, just to be clear, because the laws don't say: Ask the question, quote, unquote, XYZ. They say, provide information about places below a certain level for populations with certain characteristics, and based on that, you have to construct questions in order to satisfy the law, in order to satisfy the statute.

Mr. ROGERS. Well, I understand that. But if you could provide to us all of the statutory requirements that you have to live up to.

Mr. SCARR. Yes.

Mr. BELLOMO. We will work with the staff.

[CLERK'S NOTE.—The requested information was provided to Mr. Rogers, and is on file with the Committee.]

Mr. ROGERS. And if that is so, then there may have to be a separate law passed to have two categories, enumeration and then the other information obtained in some other fashion, much like the businesses do.

Mr. SMITH. Or if we have to, I guess we could appropriate the money, but say that none of the money could be used except for the count of people.

Mr. ROGERS. Yes.

Mr. SMITH. Let the other vary according to the amount of money that is available or something. It just isn't working. Any more questions?

Mr. ROGERS. No.

Mr. SMITH. Okay. Thanks.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Planning for the Year 2000 Census

QUESTION:

What is the status of planning for the next decennial census? What is the total FY 1994 request for these planning efforts?

ANSWER:

In November 1990, the Department announced the formation of the "Task Force for Planning the Year 2000 Census and Census-Related Activities for 2000-2009." The Task Force has identified three overarching concerns that have driven the design effort and will drive future operational planning:

1. Reduce differential undercounts

2. Contain costs

3. Make the census more accurate overall

Currently, the Task Force has completed the following activities:

- In January 1992, the Technical Committee of the Task Force identified a wide-ranging set of census design alternatives along with criteria for assessing the designs and critical technical and policy issues to be resolved.

- From February through April 1992, the Census Bureau presented this information to over 25 key groups including the Congress.

- From those meetings, key revisions were made to the designs, criteria, and issues.

The Task Force's plans for the future are:

- To finalize the design alternative recommendations (DARs) in May 1993.

- To select final candidate census features from among the design alternatives by September 1993.

- To begin detailed planning during 1994 for the 1995 test census program.

- To analyze the critical comparative results from the test in order to select the final census design for 2000.

- To continue research and development on issues critical to any census design, for example, ways to reduce the differential undercounts, technologies to collect and process data more efficiently, and use of administrative records to improve coverage and reduce costs.

The total FY 1994 request for these planning efforts is $23,122,000 and is shown below broken out by the base and the increase.

	Base	Increase
Research and Development	$15,282,566	$ 0
1995 Census Test	4,005,434	1,381,568
Operational Preparation	0	2,452,432
SUBTOTAL	$19,288,000	$ 3,834,000

QUESTION:

What is the status of the decision on a design for the year 2000 census? How much of your request is specifically devoted to the design effort?

ANSWER:

We have structured our work to be able to select viable alternative designs for testing in 1995 by September 30, 1993. By that time, we plan to complete necessary research and consultation, publish design alternative recommendations, and consider comments on the recommendations.

We are currently on schedule regarding these activities. In fact, the design alternative recommendations (DARs) will be final in May 1993. Of course, the conclusions we reach and our future schedule are contingent on the results of our research and any additional issues raised as each phase is completed.

Meeting the September 1993 date is critical so we will have enough time to prepare for a test of alternative designs in the spring of 1995 and complete the operational planning and testing necessary for a successful 2000 census.

The entire research and development (R&D) program in FY 1994 is devoted to the design effort. $15,282,566 of the total FY 1994 request of $23,122,000 is budgeted for the R&D effort. All R&D funding is included in the base.

QUESTION:

You say in your testimony (page 6) that in FY 1994 you must design and develop the automated systems required to conduct the FY 1995 test censuses. How can you develop the automated systems without final selection of a design?

-- Why are new automated systems required for this test?

ANSWER:

Over a year ago we established a schedule for the 2000 research and development (R&D) program that included choosing the final census design to be tested in 1995 by September 30, 1993. We plan to identify the final census features to test in 1995 on or before this date permitting us to commence in FY 1994 the design and development of automated systems to support the 1995 census test. Decisions on which technologies to further develop for testing in 1995 will be based on research results from contractor-performed assessments and forecasts as well as from feasibility studies and proof-of-concept models developed by Census staff.

Data Collection

As part of the Year 2000 R&D technology research plan, we are looking at a wide range of technologies for responding to and/or collecting census data. These include: home-based technologies such as the telephone (operator-assisted, voice recognition, and touch tone data entry), personal computers, interactive cable TV, on-line services; publicly assessable technologies such as personal computers and FAX machines at work, kiosks in malls, and toll-free services; pen computers for updating census maps and address lists; and high performance computers for computer intensive applications.

As we research and assess the various technologies, we are identifying those that are most promising for decennial census applications. The Census Bureau plans to test the promising technologies to determine (1) the feasibility of using them in a census environment, (2) respondent and enumerator acceptance and usage of the technologies, (3) the cost per case of using each technology, the issues surrounding the design, integration, and implementation of automated data collection systems, and (4) the benefit/cost of new technologies over clerically-intensive methodologies used in the 1990 census.

The Census Bureau wants to ensure that we can justify multi-million dollar ADP procurements in terms of reduced cost, reduced respondent burden or respondent preference, and increased accuracy, completeness, and timeliness of census data.

Data Capture

The 1990 Census was processed using a combination of mark sensing (FOSDIC) and data keying. The FOSDIC component was extremely fast and accurate; however, since this hardware will be more than 10 years old by the Year 2000 Census, it will require extensive engineering revisions. The data keying was done from the paper questionnaires and was very labor intensive, time consuming and error prone.

The Year 2000 Census will use respondent friendly questionnaires that are more easily understood and better perceived by the public. (Pre-census tests in 1992 indicated that respondent friendly questionnaires improve response rates, thereby reducing costs associated with followup visits.) However, respondent friendly questionnaires cannot by read by traditional commercially available equipment or by the 1990 FOSDIC equipment.

The Census Bureau currently has an initiative to perform research necessary to support and advance data capture from respondent friendly questionnaires for the Year 2000 Census. Several data capture technologies are being studied, including: electronic imaging, optical mark recognition (OMR), optical character recognition (OCR), and data keying (from images). The 1995 Test will be the first opportunity to use one or more of these technologies in a Census-like data capture setting, since there will be up to 750,000 questionnaires to process. Using new technologies to process a large number of questionnaires in the field cannot be duplicated in a laboratory environment. It will then provide the opportunity to learn and improve the technologies to use during the Dress Rehearsal and the Census. In addition, history has shown that long lead times are necessary to procure the needed hardware.

It is imperative that we take advantage of testing these new technologies in a census environment in 1995 to provide the required evaluation data to make an informed decision in early 1996 on which technologies to specify for full development for 2000 enabling us to begin the acquisition process.

QUESTION:

What is the current estimate of the total anticipated cost of taking the Year 2000 decennial census?

ANSWER:

At this time, we do not have an estimate of the total anticipated cost of taking the Year 2000 decennial census. Because of the uncertainty surrounding the design of the next census, we have not yet developed outyear estimates. Until we finalize the selection of options for a design test in FY 1995, we are unable to provide relevant and accurate estimates beyond FY 1995.

Voting Rights Information

QUESTION:

A recent GAO report highlighted problems in the data collected in the 1990 decennial census on race and national origin required by the Voting Rights Act. Could you summarize for the Committee the problems that GAO pointed out? How are you addressing these concerns?

ANSWER:

The GAO report, "Census Reform: Early Outreach and Decisions Needed on Race and Ethnic Questions" (GAO/GGD-93-36), had three objectives: 1) trace the development of the race and ethnic questions for the 1990 census, 2) focus on data quality problems with the 1990 race and ethnic questions, and 3) identify challenges faced by the Bureau in developing race and ethnic questions for the 2000 census. Regarding data quality issues, the GAO cited Bureau evaluations to note that, overall, data from the 1990 race and Hispanic questions were of "generally high quality." These same evaluations also noted data quality problems of which the following were noted in the report:

- Tendency for Hispanics to report as "Other race" in the race question in the census- This tendency has caused the "Other" category to grow at a faster rate than any other group, with the exception of Asian and Pacific Islanders. Many Hispanics clearly do not see the specific race categories applying to them or the concept of race itself is not clear to them.

- Low response consistency for the "Other race" category - A substantial proportion of Hispanics, particularly the foreign born, reported as "Other race" in the census, but reported a different race in a reinterivew.

- High allocation rate for the Hispanic question - The 1990 Hispanic question had the highest allocation rate for population questions asked of all persons. This was also true for the 1980 census. (An allocation is a computer imputation of a response value for a missing or inconsistent response.) Two sources of nonresponse are: 1) Non-Hispanics who feel the question does not apply and skip over it and 2) some Hispanics who answered as some Hispanic group in

> the "Other" race category and skip over the Hispanic question because it seems superfluous.

As is noted in the GAO report, the Census Bureau is developing a plan for research and development on the race and ethnic questions for the 2000 census. The Bureau has identified four major components of this effort: 1) evaluations of race and ethnic responses from the 1990 census, 2) special tests such as those on questionnaire design for the 2000 census, 3) consultations with stakeholders on issues identified from the 1990 census evaluations, and 4) testing including cognitive research and field testing of alternative question content and format. A full description of these components appears in the attached report, "Review of Federal Measurements of Race and Ethnicity," presented on April 4, 1993 by Dr. Scarr to the Subcommittee on Census, Statistics, and Postal Personnel, House Committee on Post Office and Civil Service.

Needs of Other Government Agencies

QUESTION:

What efforts does the Census Bureau take to ensure it is meeting the needs of other Federal agencies?

ANSWER:

In March 1993, the Census Bureau conducted a survey of 1,400 of our customers, including 76 Federal departments, agencies, bureaus, and offices. The purpose of this survey is to obtain information on customers' expectations, their levels of satisfaction, and recommendations for improvement of Census Bureau services and products. We expect to have the results by the end of May. We will use this information to make improvements in our products and services, to assess current policy, to assist in planning activities, and as a baseline measure of Census Bureau performance that can be evaluated over time.

This is the most recent and comprehensive of many Census Bureau programs to assess the needs and expectations of other Federal Agencies. For example, the Federal sponsors of our household surveys meet together quarterly, explicitly to provide guidance on how our programs can better serve them. As another example, the Survey of Income and Program Participation (SIPP) recently contacted more than 100 current and potential data users to assess their satisfaction with this survey. The results are focusing a major program to increase customer satisfaction.

Federal agencies will pay the Census Bureau about $150 million in FY 1993 to conduct reimbursable surveys on a wide variety of topics, including employment and unemployment (sponsored by the Bureau of Labor Statistics), health (sponsored by the National Center for Health Statistics), housing (sponsored by the Department of Housing and Urban Development), and crime (sponsored by the Department of Justice.) The Census Bureau works closely with the sponsoring agency at every stage of the development, execution, and evaluation of a survey. We discuss the survey scope, quality, and detail with the sponsor to make sure their needs are met.

Some of the biggest sponsors of reimbursable survey work and most important customers for other data products are the other statistical agencies of the Federal government. The Census Bureau director participates, along with the heads of other statistical agencies, in monthly meetings organized by the Office of Management and Budget's (OMB) Statistical Policy Office. These meetings are used to discuss issues of mutual concern to the member agencies of the Federal statistical system.

QUESTION:

Are the concerns of other Federal agencies being taken into account in planning for the Year 2000 decennial census?

ANSWER:

Yes. First, 11 Federal departments or agencies, in addition to the Department of Commerce and the Office of Management and Budget, are represented on the Policy Committee of the Task Force for Designing the Year 2000 Census and Census-Related Activities for 2000-2009. This Task Force is examining fundamental reforms for conducting the next decennial census and subsequent intercensal programs. The Policy Committee is examining Federal data requirements, among other policy issues.

Second, the OMB sent letters last winter to 28 Federal departments and agencies asking them to document their data needs for the 2000 census. The Census Bureau is working closely with the OMB to review and summarize the responses to this request.

QUESTION:

How do you ensure that all appropriate agencies' needs are being addressed? I am particularly interested in the needs of the Equal Employment Opportunity Commission (EEOC)--could you elaborate on your relationship with EEOC?

ANSWER:

EEOC is among the Federal agencies being surveyed to determine their data needs for the 2000 decennial census. The Census Bureau has worked closely with the EEOC and other Federal agencies for many years to produce data that employers and regulatory agencies could use for affirmative action plans and other EEO applications.

Prior to the 1980 and 1990 censuses, we held extensive meetings with representatives from 30-40 Federal agencies to determine their needs for EEO purposes. The EEOC was a very active participant in those discussions. We used suggestions from these meetings to develop both the 1980 and 1990 census EEO files, which were part of the regular series of decennial census products.

We worked closely with the EEOC to produce a series of documents that employers could use to determine which census occupational categories matched the corresponding categories shown on the EEOC's report forms.

In addition, prior to the 1990 census, we met with a consortium of four Federal agencies (including EEOC) and seven private companies to develop specifications and obtain funding for a series of supplemental tabulations that provide more detailed information than the basic EEO file. The Bureau has already delivered half the tables to the sponsors, and plans to provide the rest in May 1993.

Request to OMB

QUESTION:

What was your request to OMB for both appropriation accounts, what items were eliminated by OMB, and what will be the impact of any reductions on your ongoing operations, particularly on the planning for the 2000 Census?

ANSWER:

There is no difference between our OMB and Congressional requests. This is a result of the Secretary of Commerce's consultations with OMB.

Administrative and FTE Reductions

QUESTION:

What will be the impact of the President's executive orders on administrative savings and FTE reductions on the ongoing programs of the Census Bureau?

ANSWER:

This was a late development in the FY 1994 budget formulation process. We are reviewing the program implications now.

Pursuant to the executive orders, we intend to make savings totalling $7,093,000 to implement the deficit reduction programs that are included in our budget request:

Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government.

Our budget request includes reductions in the following amounts to implement this Executive Order:

Salaries and Expenses:	($ 793,000)
Periodic Censuses and Programs:	(2,947,000)
Total	($3,740,000)

Executive Order on Reduction of 100,000 Federal Positions

Our budget request includes reductions in the following amounts to implement this Executive Order:

Salaries and Expenses:	($1,541,000)
Periodic Censuses and Programs:	(1,812,000)
Total:	($3,353,000)

QUESTION:

Will any Reductions-in-Force be required to implement the FTE reductions? Will any other RIFs be necessary to implement the cyclical reductions proposed relating to the 1990 decennial census?

ANSWER:

We froze outside hires last fall. We are analyzing costs now, and planning for the cyclical reductions.

Construction and Renovation of Census Headquarters Building

QUESTION:

Page CEN-8 of your budget justifications highlights a program issue related to building a new Census Bureau headquarters building and renovation of two existing buildings at the Suitland Federal Center. Will the new building be located within the Suitland Campus? If so, were any other sites considered?

ANSWER:

This proposed new building is a General Services Administration (GSA) project (GSA is responsible for the funding and construction of most Federal buildings). The initial plans call for locating this building at the Suitland Federal Center. Since the building is to be used as swing space for employees currently housed at the Suitland Federal Center and to later house Census employees now in leased space, GSA has not to this point seriously considered any other locations. Other facility and site options may still be considered.

QUESTION:

You state in the justification that one benefit of this construction and renovation effort will be to move Census Bureau employees from leased space to the SFC. Where are the leased buildings referred to located? What is the current lease cost for this space?

ANSWER:

The leased buildings are:

Silver Hill Executive Plaza
3701 St. Barnabas Road
Suitland, MD

Suitland Professional Centre
5001 Suitland Road
Suitland, MD

Iverson Mall Office Building
3737 Branch Avenue
Marlow Heights, MD

Washington Plaza Buildings I and II
8905 Presidential Parkway
Upper Marlboro, MD

The total annual rent for the buildings is $3,755,467.

QUESTION:

What is the estimated cost of this effort? Please provide a detailed breakout for the record, by fiscal year.

ANSWER:

GSA contractors estimated the cost of the new building to be approximately $55 million and the cost to renovate Federal Building 3, $27 million. No cost estimate for the renovation of Federal Building 4 has been developed. If the design of the new building is carried out in FY 1995 and 1996, construction funds would be required in FY 1997. Funding for the renovation of Federal Building 3 would be needed in 2000 or soon thereafter.

Major Systems Acquisitions

QUESTION:

The Commerce Inspector General (IG) has highlighted concerns over the Census Bureau's systems planning and acquisition practices. The IG states that Census does not have an adequate overall strategic information systems plan and life cycle management plans for each of its major systems. What does this budget request do to address these concerns?

ANSWER:

The IG's concerns were first expressed in 1991. Since that time the Census Bureau has expended considerable effort to strengthen planning and acquisition practices. In early 1992 we published our first Information Technology Strategic Plan. This plan has several objectives including; basing automation initiatives on customer needs and program improvements, providing our customers with seamless access to IT resources and pursuing vendor independence. We then contracted with GSA FEDSIM for assistance in developing the tactical plans necessary for implementation of the strategic plan. FEDSIM's recommendations to develop a Census target system architecture and migrate to open systems will form the basis of a future budget request.

QUESTION:

What are the major systems acquisitions currently planned and in process by the Census Bureau and the projected costs associated with each? Please provide details (including outyear budget projections) for the record.

ANSWER:

The Census Bureau has no major system acquisitions as defined in OMB Circular A-11 ($10,000,000 in one Fiscal Year or $25,000,000 total) at this time. However we do have two projects that will result in multiple acquisitions that in the aggregate will require significant funding. Consequently, these projects are being managed with the discipline of a Major System Acquisition. The mid-decade modernization project's primary goal is to begin structured implementation of the open systems migration plan recommended by FEDSIM. A secondary goal is to provide a Headquarters software development environment that will allow early development of Year 2000 Census applications without concern for the eventual supplier of the hardware processing platforms. Funding is needed to standardize our communications network, replace and standardize end-user computing devices, implement essential end user service functions on open platforms rather than in the current proprietary mainframe environment and to acquire software products that are portable across multivendor platforms. We are in the process of developing budget estimates for this project. The high performance computing project goal is to provide specialized computing resources that will meet customer demands that can not be met using traditional computing architectures. Funding is needed for corporate file servers to allow for cross correlation of surveys, specialized processing servers for computer intensive applications such as geography, high performance workstations to improve information presentation and contractor support for reengineering traditional applications. We are also in the process of developing budget estimates for this project.

QUESTION:

The National Oceanic and Atmospheric Administration recently established a systems program office (SPO) in order to better manage major systems acquisitions and to respond to the concerns of the IG, GAO, and Congress on cost overruns. Has the Census Bureau considered establishing such an office to address your systems acquisition problems?

ANSWER:

In response to the IG concerns the Department of Commerce conducted a review of Census Bureau ADP Planning and Acquisition. The review report recommended and we have implemented a new organizational structure to strengthen the planning and acquisition process. The Information Systems Planning Office (ISPO) and the Information Systems Support Office (ISSO) replace the former ADP Planning and Acquisition Staff. ISPO is responsible for the strategic and tactical planning process and ensuring that automation initiatives are supported by improvements in Census Bureau programs. ISSO is responsible for implementation oversight and support including evaluating the comparison of technical alternatives and providing technical support to procurements.

QUESTION:

Given the large volumes of data generated and used by the Census Bureau, and the large number of users of that data, why is the Census Bureau not a part of the High Performance Computing and Communications (HPCC) Initiative? Are you currently working with NIST and NTIA to take advantage of other Department of Commerce efforts in this initiative?

ANSWER:

Census Bureau's Associate Director for Information Technology is a member of the Department of Commerce HPCC Steering Committee. This allows the Census Bureau to share in HPCC research results.

Women and Minority Owned Businesses

QUESTION:

You are requesting a program increase of $1.3 million for annual surveys on women- and minority-owned businesses. What sources of data will you use to collect this information?

ANSWER:

The primary source of our list of businesses is tax return information from IRS. All current filers of 1040C's, sole proprietors; 1065's, partnerships; and 1120S's, small corporations are in the universe and eligible for sample selection. This includes employers and nonemployers (sometimes referred to as the self-employed).

For businesses for which we have social security numbers for the owners, the Social Security Administration provides gender, race, and ethnicity data. For those businesses whose owner characteristics are unobtainable from SSA records, a sample will be selected and mailed.

Using these sources of data, a database of small businesses will be built and updated so that only new businesses will be mailed in subsequent years, along with periodic sample reverification of aggregate ownership of partnerships and corporations.

A substantial portion of this program increase is for acquisition of administrative record data. In anticipation of its approval, we are working with IRS to improve the quality and usefulness of the data.

QUESTION:

Will you be coordinating this effort with the Minority Business Development Agency and other Federal agencies? Please elaborate on the involvement of these agencies.

ANSWER:

We work closely with the Minority Business Development Agency as well as the Small Business Administration during all phases of frame development, sample selection, questionnaire design, and tabulation planning. We also confer regularly with the National Foundation for Women Business Owners and other non-Federal data users.

TIGER System/Master Address File

QUESTION:

You are requesting an increase totaling $6 million to enhance the Topologically Integrated Geographic Encoding and Referencing (TIGER) System and create a Master Address File. Your budget justifications (page CEN-153) state that these two data bases are not compatible. How was this allowed to happen?

ANSWER:

Two of the most successful innovations that the Census Bureau achieved for the 1990 decennial census were the development of a fully automated Address Control File (ACF) and the development of the TIGER System. The ACF provided the Census Bureau with its first nationwide, computer-readable list of housing unit addresses. This allowed the Census Bureau to perform the "flow" processing of the 1990 census questionnaires, and allowed automated control of many critical field data collection activities. The TIGER System automated the geographic support of the 1990 census and provided many new and higher-quality geographic materials for internal and external customers.

Both systems represented total departures from past methods, both had to be in place well before Census Day, and both required major, multi-year development efforts. To moderate the risk involved in implementing these new systems, the Census Bureau decided against developing them as one integrated system that probably could not have been completed in time for the 1990 decennial census. The program that will be funded by the requested increase provides a solution to this problem.

QUESTION:

Is it correct that you must now make each update to names and addresses twice--in both the TIGER System and in the Address Control File?

ANSWER:

The initial geographic structure of the ACF came from the TIGER data base; thus, at the outset the two systems shared this commonality. Nevertheless, because the TIGER data base and the ACF were two separate systems, used for very different census purposes, and each had its own update system, their content diverged over the course of the census. Because the two systems are not linked, an update to one would not result in an update of the related information in the other. The bigger immediate problem is that there is no funded program or current activity to update either the TIGER data base or the ACF. The purpose of the program funded by the requested increase is to start with the ACF, create a permanent list of residential addresses called the Master Address File (MAF) that will be continuously updated through matches with address information from the United States Postal Service, and link the MAF to the TIGER data base so that the related information in each can be updated together.

QUESTION:

Why are two separate systems even necessary, and what is the total estimated cost of merging these two systems, if a merge of the system is even possible?

ANSWER:

The content and purpose of the MAF differs from that of the TIGER data base. The MAF will be a permanent list of **individual** housing unit and group quarters addresses that can be used to deliver census or sample survey questionnaires, used to control data collection activities, serve as a sampling frame for censuses and surveys, and so on. The TIGER data base, on the other hand, contains address **range** information that can be used to determine the geographic location of individual addresses, the geographic **area** identifiers that allow for meaningful organization of census data, and spatial information about streets and other features that allows for automated mapping. The intent is not to merge the two systems but rather to link them so that every street for which an address appears in the MAF also appears identically in the TIGER data base, which in turn leads to the street appearing on the Census Bureau maps used by enumerators, local officials, and data users. Most of the program costs are associated with continuously **updating** the information in the MAF and the TIGER data base, rather than maintaining the linkages between the two. The estimated total project cost for development and continuing update of the MAF linked to the TIGER data base is $129 million from FY 1993 through FY 1998.

QUESTION:

What is the total amount required for completing the TIGER project, and how much of the costs will be borne by the Postal Service and other Federal and governmental agencies? Once the TIGER system is "complete," what will be the annual costs of updating the system?

ANSWER:

The Census Bureau does not know what costs the United States Postal Service (USPS) will incur in making its information contributions to the proposed cooperative project. This also is the case for other potential cooperating partners. The cooperative partnerships that the Census Bureau has established and plans to establish assume that each participating agency covers the cost of its participation without the need for fund transfers because each partner receives value in return for its contribution. Assuming that the current test both agencies are planning goes well, as expected, and that the resulting information each receives proves useful, both will have received equivalent value for their participation: The Census Bureau will receive address and ZIP Code updates along with information about new streets and the USPS will receive latitude/longitude coordinates for its ZIP Codes along with a linkage to the other geographic codes used by the Census Bureau. As a result, no partner needs to be concerned with setting up additional financial tracking systems.

The Census Bureau estimates that its total project cost to develop and continually maintain the MAF linked to the TIGER data base will be $129 million from FY 1993 through FY 1998; its basic annual cost to maintain a system of continuous matches between the MAF and the USPS address information, with resulting updates to the MAF and TIGER data base, will be approximately $12 million. In addition, the Census Bureau will need to request moderate periodic increases for hardware replacement and to support a mid-decade map/geographic file review by local officials. As the various census and sample survey programs request products from or use of the TIGER data base and the MAF, each will pay directly for the requested products or services.

QUESTION:

In light of the recent cuts and downsizing experienced by the Postal Service, will the TIGER project continue to be supported by the other agencies involved? What is the Postal Service's FY 1994 budget for the TIGER System and other programs shared by the Census Bureau?

ANSWER:

The United States Postal Service (USPS) continues to be an active participant in the development of the proposed cooperative project with no hint that it will need to reduce its participation. This appears to be a result of the fact that the information the USPS is providing comes to it as a normal part of its daily operations and does not require any substantial new activities or equipment. It also results from the belief that both agencies share about the value each will receive from the cooperative project: That the value will be equivalent to its level of effort for participating.

The Census Bureau does not know the amount of FY 1994 funds the USPS has allocated to supporting the TIGER System or the other projects on which the two agencies are cooperating. The agreements established between the two organizations do not call for the transfer of any funds to support the cooperative activities of the other; as a result, there has been no attempt to establish any additional financial tracking systems.

New Computer Center

QUESTION:

You are also requesting an increase of $1 million for a new Census Bureau Computer facility in Bowie, Maryland. When was this center first proposed?

ANSWER:

In 1990 the Department of Commerce asked GSA for delegated authority to lease space to replace the Census Bureau's central computer in Federal Building 3. GSA employed a contractor in 1990 to prepare a "prospectus development study" for a computer center to be located at the Suitland Federal Center.

QUESTION:

How was the Bowie site selected for this computer center? What other sites were considered?

ANSWER:

Discussions between GSA, Commerce, Census, and University of Maryland led to the selection of the site at the University of Maryland Science and Technology Center in Bowie. The State of Maryland is donating the land at the Center to the U.S. Government for the Census Computer Center. The only other site considered for the computer center was the Suitland Federal Center as discussed above.

QUESTION:

Is there any requirement that this computer center be located within a given geographical area from the Census Bureau headquarters location in Suitland, Maryland?

ANSWER:

The Census Bureau strongly prefers to maintain its central computing facility in close proximity to our headquarters staff and the Suitland complex for the following reasons:

1. Even though present day telecommunications allows for safe and efficient remote processing, we must manage, operate, and oversee this state-of-the-art facility with staff from our headquarters Information Technology Directorate. Excessive travel and duplicate management will be avoided.

2. Our back-up and contingency options and alternatives are more appealing if we remain close to our Suitland campus where we vault our data for mid and long term retrieval. Also, the Suitland site will provide nearby space for the "hot" site computer capacity we presently maintain at our Charlotte, NC facility.

3. We intend to work closely with the University of Maryland to advance our knowledge, skills, and staff competencies in the area of High Performance Computing. Clearly, a local site is most suitable for that objective.

4. We know this area's labor, supply, and contractor market very well. This experience would be lost to a large degree if we open a large facility in an area unknown to the managers and decision makers involved with this project.

5. Local telecommunications from any point within the metro area to our users at Suitland are more likely to be less costly and more reliable than long distance point-to-point wide area network connections.

QUESTION:

When will construction on the Computer Center begin and be completed, and why is there a requirement for these above standard costs in FY 1994? What would be the impact of not receiving this request.

ANSWER:

GSA expects construction to begin in FY 1994 and be completed in 1996. They require that an agency provide funds for above standard features of construction projects in the same fiscal year that the construction commences. GSA pays for "basic" features of new buildings and the tenant agencies must pay for all other features that are required for the building to be used for its intended purpose. The items identified to be funded by this request are basic features of a computer center even though GSA does not include them in their construction funding. Without the requested features, the computer center could not become operational.

Service and Construction Industry Statistics

QUESTION:

You are requesting an increase of about $3.5 million for expanding and improving statistics on the service industry and the construction industry. What accounts for the existing inadequacies in the statistics collected for construction and service industries?

ANSWER:

Despite recent improvements, data collection for services has not kept pace with the changing U.S. economy. Service sector data are far more sparse in terms of industry and demographic detail, and frequency of collection than are data for the goods-producing sector. These inadequacies are partially the result of a Federal statistical system that previously emphasized goods production in economic data. Other factors also have contributed to these inadequacies, including:

- o the disappearance of long-standing statistical data sources because of reduced regulation, especially in the transportation sector;
- o rapid technological and organizational changes in industries such as telecommunications and health care; and
- o diversity in the service sector that includes economic activity ranging from airlines to self-employed, day-care providers.

Construction activity resists easy measurement. In particular, the measurement of nonresidential reconstruction and construction done at industrial sites, both large and growing activities, is difficult because this kind of work is, many times, small scale and/or done without building permit authorization. The fundamental problem of producing adequate "output" nonresidential construction price indexes, needed for the accurate measurement of real investment, is that each nonresidential building is unique, and the prices of building are, therefore, not readily comparable.

QUESTION:

Is it correct that you are proposing to collect service industry data annually, but the construction industry data quarterly? If so, why is there a difference? Is there legislative language on the frequency of the collection of this data?

ANSWER:

Yes, it's correct that we are proposing to collect service industry data annually but construction data quarterly. Many service industries currently are not measured. We have placed our priority on covering more of these industries annually rather than fewer on a more frequent basis. We made this decision following the advice of our multiple Federal and other data users. Construction activity is particularly sensitive to changes in weather, interest rates and other market conditions, and needs to be measured more frequently than once a year. The quality of this economic indicator, which measures an industry accounting for nearly 10% of the quarterly GDP, is not adequate for the importance it has assumed. Improved construction in place statistics will provide a much better gauge of the Nation's capital stock investment, a key determinant of our future economic growth, and more accurate measures of productivity in the construction industry. There is no legislative language that prescribes the frequency of the collection of these data.

User Fees/Reimbursables

QUESTION:

You project a decrease in FY 1994 in the amount of offsetting collections you collect from both other Federal agencies and Non-Federal sources. What accounts for this decrease? How will this impact your ongoing programs?

ANSWER:

Census Bureau managers are continuously working with reimbursable work customers to develop updated budget year and outyears' estimates. In addition to annually recurring work, managers factor in their experience for representative non-recurring work to maintain consistent forecast totals.

The decrease in work planned for FY 1994 represents the effect of cyclical programs that are the downside of their cycle. Some of the largest programs that are down for FY 1994 are as follows:

Agency	Program	Decreases from FY 1993 ($ in millions)
Department of Education	National School Staffing Survey	$0.9
Department of Health and Human Services	Health Interview Survey	2.0
Department of Labor	Current Population Survey Research	4.0
Department of Transportation	Commodity Flow Survey	3.0
National Science Foundation	Survey of College Graduates	4.5

The decrease in work planned for FY 1994 represents reductions/differences in printing, supplies and temporary employees identified for specific reimbursable work requests and therefore have no effect on any other Census Bureau programs.

QUESTION:

What percentage of your workload is directly related to activities conducted for other Federal agencies? Are you completely reimbursed for these activities?

ANSWER:

For FY 1993, 32 percent of the Census Bureau's workload is from reimbursable work for Federal agencies and another 2 percent for Non-Federal customers. We maintain full cost recovery for all reimbursable work.

QUESTION:

Have you considered any changes in the amount of fees charged to private groups and other government agencies for Census information in FY 1993?

ANSWER:

The current policy of the Census Bureau is to require full cost recovery from all reimbursable work customers. Currently we are undergoing our annual review of all user fees to determine which user fees require price changes to maintain full cost recovery. By June 30, 1993, we will provide the Department with a written certification to the completion of the reviews as required by the Chief

Financial Officers Act of 1990.

Federal Audit Clearinghouse

QUESTION:

You are requesting an increase of 20 positions and $600,000 for the Federal Audit Clearinghouse, which theCensus Bureau operates as the Executive Agency for OMB.Could you tell us more about the Clearinghouse -- why is it required?

ANSWER:

The purpose of the Clearinghouse is to track Federal financial assistance to state and local governments; to identify those governments that have (and have not) completed audits performed in accordance with the Single Audit Act passed by the Congress in 1984.

State and local governments and their agencies that have received $100,000 or more a year in Federal financial assistance must submit one copy of their audit to the Clearinghouse. In a typical year, the Clearinghouse receives approximately 20,000 audits from state and local governments. Thirty-three state governments work with the Clearinghouse in helping to identify their local governments subject to the Single Audit Act.

In 1990, the Office of Management and Budget issued Circular A-133 that sets uniform reporting and auditing standards for nonprofit organizations nation-wide. In 1992, the Clearinghouse surveyed the 102,000 largest nonprofit organizations to determine amounts of Federal awards they received. In addition to state and local government audits, the Clearinghouse now receives the audits of nonprofit organizations subject to OMB Circular A-133.

Information about the name and type of each audit is entered into a database. Audit nonresponse listings are sent to the Inspectors' General Offices of the 12 largest Federal grant making agencies. An annual report on the response to the single audit program is sent to the OMB. The OMB uses much of this information in its annual report to Congress.

QUESTION:

Who uses the data on local governments and nonprofit organizations collected and analyzed through this clearinghouse? Do other users pay a fee for this service?

ANSWER:

The users are:

The Office of Management and Budget.

The Offices of the Inspectors General of the 11 largest Federal grant making agencies.

The General Accounting Office.

State agencies - Offices of the Auditor, Finance Director, Comptroller, Department of Community Affairs, Departments of Education.

The American Institute of Certified Public Accountants.

Certified Public Accounting Firms.

Academics and researchers.

If costs are incurred for copying audits, writing computer programs or doing computer analyses, these costs are charged back to the requester.

QUESTION:

What is the amount in the base for this activity, and why is an increase required for FY 1994?

ANSWER:

There is no money in the base for this activity.

For 6 years up to and including FY 1993, the work of the Clearinghouse was supported by an annual assessment of the 11 largest Federal grant-making agencies. The OMB has requested that beginning in FY 1994, the funding of the Clearinghouse be included in the Census Bureau's appropriation in lieu of collecting the assessments from the other Federal agencies.

Reduced Frequency of Cotton, Soybean Reports

QUESTION:

Once again, you are proposing to reduce the frequency of reports relating to cotton and soybean and sunflower oilseeds from monthly to quarterly. What will be the impact of this change in frequency on the users of these reports?

ANSWER:

The monthly cotton data are used extensively by cotton growers, shippers, textile producers, market analysts and the Government. Data users claim that a change in frequency could impact their ability to accurately forecast domestic supply and demand and could disrupt the orderly flow of cotton to U.S. textile mills.

QUESTION:

What fees are currently being collected from users of these reports?

ANSWER:

Currently, only the cost of a monthly subscription is collected by the Government Printing Office for these reports. No other fees are collected.

TUESDAY, APRIL 27, 1993.

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SALARIES AND EXPENSES

WITNESSES

LEE J. WELLS, DIRECTOR, OFFICE OF STRATEGIC PLANNING AND ADMINISTRATION

W. DON WYNEGAR, DEPUTY ASSISTANT SECRETARY FOR TOURISM MARKETING

MARK E. BROWN, DIRECTOR, OFFICE OF BUDGET

Mr. SMITH. The final item we will consider this afternoon is the fiscal year 1994 request for the U.S. Travel and Tourism Administration (USTTA) under the Department of Commerce. The request is for $20,298,000, an increase of $1,090,000 above the total amount provided for FY 1993.

We will insert the justifications submitted in support of this request into the record at this point.

[The justification follows:]

Exhibit 1

DEPARTMENT OF COMMERCE
UNITED STATES TRAVEL AND TOURISM ADMINISTRATION
Budget estimates, Fiscal Year 1994
President's Submission

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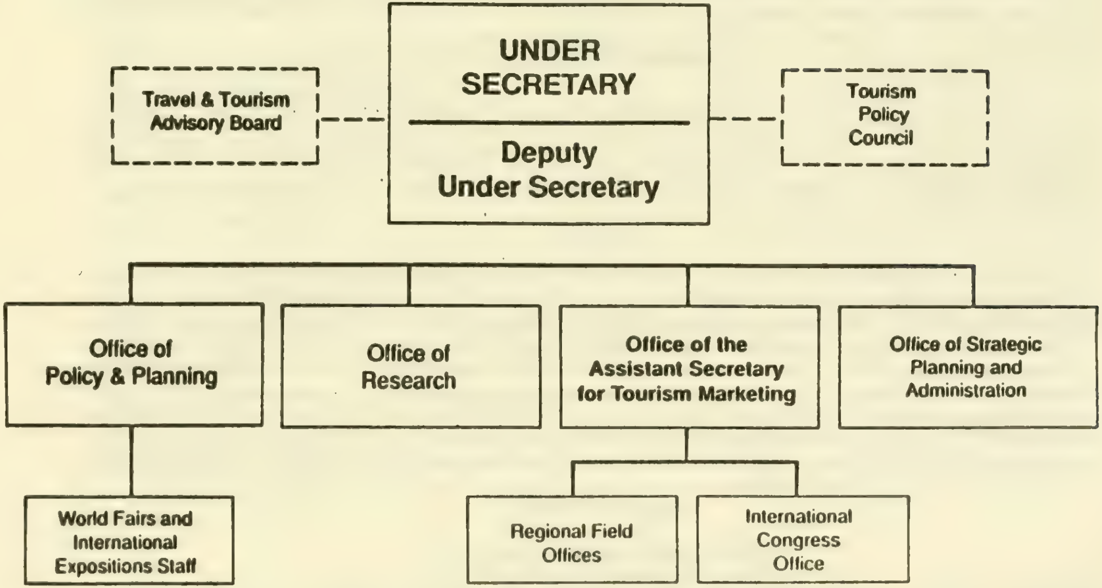
Exhibit 2

U.S. DEPARTMENT OF COMMERCE

United States Travel and Tourism Administration


Travel & Tourism Advisory Board
UNDER SECRETARY
Deputy Under Secretary
Tourism Policy Council
Office of Policy & Planning
Office of Research
Office of the Assistant Secretary for Tourism Marketing
Office of Strategic Planning and Administration
World Fairs and International Expositions Staff
Regional Field Offices
International Congress Office

USTTA-1

Exhibit 3

DEPARTMENT OF COMMERCE
UNITED STATES TRAVEL AND TOURISM ADMINISTRATION
Budget Estimates, Fiscal Year 1994
President's Submission

GENERAL STATEMENT

The United States Travel and Tourism Administration (USTTA) was established in 1961 by the International Travel Act to serve as the official U.S. government tourism office. Originally known as the United States Travel Service, the agency was renamed in 1981 by the National Tourism Policy Act. USTTA is poised to play an integral role in supporting the Department of Commerce's priorities of expanding economic growth and job creation by stimulating economic prosperity through tourism development and increased exports of U.S. goods and services throughout the balance of the 1990's. USTTA has been forging partnerships with a number of public and private sector organizations in the travel industry aimed at combining financial resources and expertise in maximizing promotional programs seeking to increase international tourism to the U.S. from countries abroad. International travel is America's largest business services export, accounting for 40% of the total in this category.

Goals

USTTA is charged with promoting travel to and stimulating travel within the United States. The agency helps develop U.S. tourism in an effort to spark economic growth and stability, improve international competitiveness and expand foreign exchange earnings. USTTA coordinates and negotiates international tourism policy, conducts statistical and market research and directs a dynamic program of tourism development geared to small business, ethnic communities, and rural regions.

Statement of Objectives

The objectives of USTTA are to develop U.S. tourism as a stimulus to economic growth and stability, improve international competitiveness of the U.S. travel and tourism industry, and expand foreign exchange earnings. USTTA implements programs that are designed to increase awareness of the tourism export market and tourism in general; stimulate consumer demand for travel to the U.S.; provide U.S. tourism better access to international markets; facilitate entry of small and medium-size companies into the market; develop cooperative trade development campaigns with industry; promote tourism development as an economic option for rural and ethnic communities; provide research on international travel markets to the U.S. tourism industry; and coordinate tourism trade policies and legislative initiatives and reduce restrictive barriers to the growth of the U.S. tourism services.

Efforts to carry out those objectives are conducted in three units: tourism trade development, research, and policy and planning. Tourism trade development strengthens the competitiveness of U.S. tourism firms, serves as a catalyst to enable the American travel industry to develop promotion programs, and seeks to facilitate the entry of international tourism firms into additional markets. Research compiles economic and demographic data, as well as information on traveler/trip characteristics for international travel markets. It then analyzes and disseminates this data to meet the needs of public and private sector decision makers.

Policy and planning initiates, directs, and coordinates the formulation of international tourism policies and programs, as well as policies on rural and ethnic tourism and the environment; identifies restrictive practices which act as barriers to the growth of U.S. tourism services; supports and participates in trade negotiations to remove those barriers; and acts through bilateral and multilateral organizations such as the U.S.-Canada Free Trade Area Tourism Committee, the General Agreement on Tariffs and Trade (GATT), the Asia-Pacific Economic Cooperative Group (APEC), the Organization for Economic Cooperation and Development (OECD), the Pacific Asia Travel Association (PATA), the Bureau of International Expositions (BIE), the Organization of American States (OAS), and the World Tourism Organization (WTO) to facilitate international tourism to the U.S.

Summary of Proposed Increases

In FY 1994 USTTA requests an increase of 2 FTE and $2.5 million to provide funding for the International Tourism Trade Development Financial Assistance under the Tourism Policy and Export Promotion Act of 1992. The Act requires that USTTA provide financial assistance to support the development of targeted regional marketing initiatives.

Summary of Performance and Resources

The benefits of USTTA programs are numerous and extend to economic, political and social arenas. They include: increased U.S. tourism earnings, job creation, increased tax revenues and improved understanding and goodwill between the U.S. and other nations. The value of international tourism to the economy, as a political goodwill mechanism and a social integrator is only now becoming evident to many. USTTA has assigned a high priority to evaluating the impact of its programs, where possible. Through evaluation surveys, USTTA provides information on the impact and effectiveness of selected agency tourism trade development programs. These programs include cooperative advertising campaigns, trade shows, seminars, consumer/trade information services and the annual USTTA International Tourism Conference.

One of the most important benefits of USTTA efforts is the increased level of promotional activity and investment in foreign markets by elements of the U.S. travel industry. For the past several years, the agency has placed major emphasis on its partnership approach to regional, state and local tourism organizations and private sector companies. With its knowledge and experience in the marketplace, USTTA serves as a catalyst in the market to organize and coordinate cooperative travel development programs in which U.S. travel industry organizations seek business for their destinations and attractions. In FY 1992, USTTA implemented cooperative programs with over 5,500 partners who invested some $19 million of their resources in a broad array of cooperative tourism programs.

The importance of USTTA as a coordinator in tourism development is exemplified by the key role played in several international travel trade shows, the largest of which is the International Pow Wow, co-sponsored by USTTA and the Travel Industry Association of America (TIA). According to a comprehensive research study conducted by the U.S. Travel Data Center, a non-profit, private research group affiliated with the TIA, U.S. travel industry suppliers and foreign travel industry buyers (wholesalers) concluded business arrangements at the 1992 Pow Wow which generated approximately $1.5 billion of U.S. and international business. Due to the success of the USA Pow Wow, two European Pow Wows were held in FY 1992. The next Pow Wow-Europe will be held in FY 1993 in Hamburg, Germany. It is estimated that Pow Wow-Europe will generate between $228 and $339 million over the next two years. USTTA has successfully coordinated the participation of tour wholesalers, tour operators and special interest travel groups.

USTTA organizes and participates in regional, state and local tourism conferences and seminars in the U.S. designed to increase market awareness, provide technical assistance to medium and small sized suppliers entering foreign markets, and enable states and the tourism industry within them to initiate cooperative, regional tourism development programs in foreign markets.

To compete successfully in the world's tourism market, the United States needs to continue efforts to involve the private sector and the states in international tourism efforts. There are signs of success. The projected budgets for 1992-1993 for international advertising and promotion for the states and territories increased an average of 7% over the 1991-1992 period. During 1991-1992 those budgets ranged from $15,000 to $14.6 million for individual promotion and advertising.

International inbound travel and tourism provides a significant contribution to the U.S. economy. The chart below highlights the magnitude of figures for international arrivals, dollar expenditures by international visitors, payroll, jobs, tax revenues, and the U.S. international visitor travel surplus. The projections have a margin of error of plus or minus nine percent.

Estimated Economic Measures of International Tourism to the U.S.

	Int'l Visitor Arrivals (Millions)	Int'l Visitor Receipts (Billions)	U.S. Payroll (Billions)	U.S. Jobs (Thousands)	U.S. Tax Revenues (Billions)			Int'l Travel Account Surplus (Billions)
					Fed	State & Local	Total	
1990	39.5	$58.6	$11.6	920	$3.1	$3.0	$6.1	$10.6
1991	42.9	64.4	12.7	963	3.4	3.2	6.6	16.8
1992e	45.4	72.6	14.4	1,056	3.7	3.6	7.3	16.3
1993p	47.9	79.1	15.5	1,195	4.1	3.9	8.0	13.4

Exhibit 5

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar Amounts in Thousands)

Page No.		FTE	Budget Authority
	Amount available for FY 1993 as shown in 1994 President's Budget	94	19,208
	less: Dec 17, 1992 Proposed transfers not approved (allowed by P.L. 102–395)		
	Appropriation, 1993	94	19,208
	less: Obligations from prior years		
USTTA 11	plus: 1994 Adjustments to base	0	(1,410)
	less: Prior year recoveries		
	1994 Base	94	17,798
USTTA 33	plus: 1994 Program changes	2	2,500
	1994 Estimate	96	20,298

	Comparison by activity:		**1992 Actual** Personnel	**1992 Actual** Amount	**1993 Currently Available** Personnel	**1993 Currently Available** Amount	**1994 Base** Personnel	**1994 Base** Amount	**1994 Estimate** Personnel	**1994 Estimate** Amount	**Increase/ (Decrease) over 1994 Base** Personnel	**Increase/ (Decrease) over 1994 Base** Amount
USTTA 12	International tourism development	Pos /BA	79	$16,098	79	$17,464	79	$15,195	81	$17,695	2	$2,500
		FTE/Obl.	78		79		79		81		2	
USTTA-14	Executive direction	Pos /BA	15	2,217	15	2,380	15	2,603	15	2,603	0	0
		FTE/Obl.	14		15		15		15		0	
	Direct obligations	Pos /BA	94	18,315	94	19,844	94	17,798	96	20,298	2	2,500
		FTE/Obl	92		94		94		96		2	
	Adjustments to Obligations											
	Recoveries											
	Unobligated balance, start of year			(1,471)		(636)						
	Unobligated balance, transferred											
	Unobligated balance, end of year			636								
	Unobligated balance lapsing											
	Financing from transfers:											
	Transfers from other accounts											
	Transfers to other accounts											
	Appropriation			17,480		19,208		17,798		20,298		2,500

Exhibit 7

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
Total Obligations	20,602	21,344	19,298	21,798	2,500
Offsetting collections from:					
Federal funds	(88)	(88)	(100)	(100)	
Trust funds					
Non-Federal sources	(2,199)	(1,412)	(1,400)	(1,400)	
Recoveries					
Unobligated balance, start of year	(1,471)	(636)			
Unobligated balance, transferred					
Unobligated balance, end of year	636				
unobligated balance, lapsing					
Budget Authority	17,480	19,208	17,798	20,298	2,500
Financing from transfers:					
Transfers from other accounts					
Transfers to other accounts					
Appropriation	17,480	19,208	17,798	20,298	2,500

Exhibit 8

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
ADJUSTMENTS TO BASE

(Dollar amounts in thousands)

Adjustments	FTE	Amount
		(3,823)
Other Changes:		
1993 Pay raise		43
Within-grade step increases		50
Civil Service Retirement System (CSRS)		(14)
Federal Employees Retirement System (FERS)		35
Thrift Savings Plan		4
Federal Insurance Contribution Act (FICA) - OASDI		10
Health insurance		12
Employees Compensation Fund		24
Travel:		
Per diem		12
Rental payments to GSA		72
Telecommunications Services		2
Printing and reproduction		19
Other services:		
Overseas wage increases - 1993		11
Overseas wage increases - 1994		87
Overseas price increases - 1993		103
Overseas price increases - 1994		516
Research Contracts		232
Working Capital Fund		52
Supplies and materials		3
Restore FAAS Costs		1,140
Subtotal, other changes		1,273
Total, adjustments to base	0	(1,410)

Exhibit 9

Department of Commerce
United States Travel and Tourism Administration
Salaries and expenses
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	FTE	Amount
Adjustments		(3,823)

Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a savings of $123,000.

Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $100,000 in 1994 for administrative expenses.

In FY 1993, funds of $3.6 million were made available per P.L. 102-368 to provide grants under the Disaster Relief Financial Assistance Program. These funds are not required in FY 1994.

	FTE	Amount
Pay Raises		43

Full-year cost of 1993 pay increase and related costs. Effective January 1, 1993, Federal employees received a 3.7% pay increase.

Total cost in 1994 of 1993 pay increase	171,000
Less amount funded in 1993	-128,000
Less amount absorbed	0
Amount requested in 1994 to provide full-year cost of 1993 pay increase	43,000

	FTE	Amount
Within-grade step increases		50

An increase of $50,189 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 1994.

Regular:	
Estimated number of within-grade step increases	35
Step increases not earned due to turnover (15.1% x 35)	5
Average step above step 1 per separation	2
Average cost per within-grade step increase	1,246
Gross cost of scheduled step increases ($1,246 x 35)	43,610
Less savings due to separations ($1,246 x 5 x 2)	-12,460
Subtotal, personnel compensation	31,150
Benefits	4,445
Subtotal	35,595
Foreign Service:	
Estimated number of within-grade step increases	6
Step increases not earned due to turnover	0
Average step above step 1 per separation	0
Average cost per within-grade step increase	2,105
Gross cost of scheduled step increases ($2,105 x 6)	12,630
Less savings due to separations	0
Subtotal, personnel compensation	12,630
Benefits	1,964
Subtotal	14,594
Total adjustment-to-base	50,189

		FTE	Amount
Civil Service Retirement System (CSRS)			(14)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees Retirement System (FERS). The estimated percentage of payroll for regular employees covered by CSRS will drop from 61.2% in 1993 to 57.8% in 1994. For foreign service employees, the rate will drop from 82.7% in 1993 to 73.2% in 1994. Contribution rates will remain the same.

Regular:	
1994 $2,285,000 x .578 x .07	92,451
1993 $2,285,000 x .612 x .07	97,889
Subtotal	-5,438
Foreign Service:	
1994 $1,188,000 x .732 x .075	65,221
1993 $1,188,000 x .827 x .075	73,686
Subtotal	-8,465
Total adjustment-to-base	-13,903

		FTE	Amount
Federal Employees' Retirement System (FERS)			35

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 38.8% in 1993 to 42.2% in 1994 for regular and from 17.3% to 26.8% for foreign service employees. The contribution rate for regular employees is expected to remain at 12.9%. For foreign service employees, the contribution rate will decrease from 25.19% in 1993 to 24.10% in 1994.

		FTE	Amount
Regular:			
1994 $2,285,000 x .422 x .129	124,391		
1993 $2,285,000 x .388 x .129	114,369		
Subtotal	10,022		
Foreign Service:			
1994 $1,188,000 x .268 x .2410	$76,731		
1993 $1,188,000 x .173 x .2519	51,771		
Subtotal	24,960		
Total adjustment-to-base	34,982		
Thrift Savings Plan (TSP)			4

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain 2%.

		FTE	Amount
Regular:			
1994 $2,285,000 x .422 x .02	19,285		
1993 $2,285,000 x .388 x .02	17,732		
Subtotal	1,553		
Foreign Service:			
1994 $1,188,000 x .268 x .02	6,368		
1993 $1,188,000 x .173 x .02	4,110		
Subtotal	2,258		
Total adjustment-to-base	3,811		

	FTE	Amount
Federal Insurance Contribution Act (FICA)		10

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from $57,300 in 1993 to $60,150 in 1994. The OASDI tax rate will remain at 6.2% in 1994.

Regular:	
1994 $2,285,000 x .422 x .062 x .873	52,192
1993 $2,285,000 x .388 x .062 x .872	47,932
Subtotal	4,260
Foreign Service:	
1994 $1,188,000 x .268 x .062 x .858	16,937
1993 $1,188,000 x .173 x .062 x .908	11,570
Subtotal	5,367
Total adjustment-to-base	9,627

	FTE	Amount
Health Insurance		12

Effective January 1992, USTTA's contribution to Federal employee's health insurance premiums increased by 7.1%. Applied against the 1993 estimate of $174,000, the additional amount required is $12,354.

	FTE	Amount
Employees Compensation Fund		24

The Employees' Compensation Fund bill for the year ending June 30, 1992, is $23,608 higher than the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.

	FTE	Amount
Per diem increase		12

Effective January 1992, the General Services Administration raised per diem rates. This increase results in a 4.8% increase for USTTA. This percentage was applied to the 1993 estimate of $241,000 to arrive at an increase of $11,568.

	FTE	Amount
Rental Payments to GSA		72

GSA provided an estimate of $480,000 for rental charges in FY 1994. This represents an increase of $72,000 over the 1993 estimate of $408,000.

	FTE	Amount
Telecommunications Services		2

The Washington Interagency Telecommunications System (WITS) telephone conversion will be installed in the Department, converting the Centex switch to the GSA/WITS switch. The estimated increase in operating cost is $2,113 due to GSA imposed line charges in the Hoover Building.

	FTE	Amount
GPO Printing		19

GPO has provided an estimated rate increase of 3.7%. This percentage was applied to the 1993 estimate of $504,000 to arrive at an increase of $18,648.

	FTE	Amount
Overseas Wage Increases - 1993 Revised Estimates		11

The increase of $11,404 is required to recover the variance between 1993 estimates of fluctuations in exchange and inflation rates presented in the 1993 Congressional budget, and more current figures from the State Department.

	FTE	Amount
Overseas Wage Increases - 1994 Estimates		87

The increase of $87,311 for overseas wage increases represents uncontrollable fluctuations in the exchange and inflation rates. Rates were provided by the WEFA Group and State Department who used Data Resources, Inc. as a source. This increase represents fluctuations from 1993 to 1994 based on current estimates.

	FTE	Amount
Overseas Price Increases/Contract Adjustments - 1993 Revised Estimates		103

The increase of $102,582 is required to recover the variance between 1993 estimates of fluctuations in exchange and inflation rates presented in the 1993 Congressional budget, and more current figures from the State Department.

	FTE	Amount
Overseas Price Increases/Contract Adjustments - 1994 Estimates		516

The increase of $515,961 for overseas price increases represents uncontrollable fluctuations in the exchange and inflation rates. Rates were provided by the WEFA Group and State Department who used Data Resources, Inc. as a source. This increase represents fluctuations from 1993 to 1994 based on current estimates.

	FTE	Amount
Research Contracts		232

Basic Foreign Travel Statistics -- (+88)
The additional funding in this program covers the increased costs of obtaining this data from the Immigration and Naturalization Service (INS). INS has provided an estimated increase of 20% over the FY 1993 payment of $98,500 for an increase in FY 1994 of $19,700.

FTE Amount

Another interagency agreement to receive required I-92 data is with the Department of Transportation (DOT). In FY1992, DOT lost its entire funding for this program. DOT is working on finding a solution to this problem, and has told USTTA that all users will be required to fund substantial parts of processing this data. DOT may terminate its old contract to process this data and obtain a new contract. Because of this crisis, substantial increased costs are being passed on to USTTA. DOT estimates that costs for USTTA will be $100,000, an increase of $68,000 over the FY 1993 cost.

In-Flight Survey Program -- (+78)
The USTTA In-Flight Survey is a fixed price contract. In each year the base price of this contract increases by five percent. A five percent increase in the fixed price contract results in an amount of $32,850.

USTTA used a modified In-Flight Survey questionnaire in 1993. The modification resulted from the insistence of participating carriers for more detailed and comprehensive data on traveler characteristics. As part of the airline request, USTTA also asked the travel industry for input on changes to improve the survey. The survey instrument modifications will necessitate a change in the programming by the contractor to reprogram the coding, data entry, airline reports, national resident, non-resident, and country reports. The reports developed will be delivering the same level of data as in the past. These changes are outside the control of management and are needed to deliver the same level of service provided last year. The cost of this effort is $45,000.

Consumer Behavior Studies -- (+13)
This program has demonstrated an increase in costs over the last several years of funding. There has been a 6.5% annual increase in costs of the studies which are conducted internationally. This reflects the rise in inflation as well as the weaker U.S. dollar. Using the annual increase, an adjustment of $12,695 is requested.

Econometric Programs -- (+3)
The international travel forecast model provides USTTA with information on arrivals from major countries and world regions for a three year time horizon. These projections are updated three times annually and are critical to the industry for anticipating market developments and marketing opportunities. Additional economic indicators such as exchange rates, changes in consumer price index, and unemployment are derived from this work. The lack of increase for FY 1992 was a one-time relief negotiated with the contractor due to special circumstances.

The second econometric analysis used by USTTA is a study of the economic impact of international traveler spending on state economies. This study establishes the distribution and economic impact in terms of jobs, payroll, tax revenues and business receipts by sector of visitor expenditures in the U.S. These data are particularly useful in educating future cooperative partners about the potential of international travel markets.

Both studies are contracted out and have escalating costs that are tied to the consumer price index. An adjustment to base of $2,645 is therefore requested.

Basic Border Crossing Statistics -- (+50)
Statistics Canada is the sole source of information on Canadian border-crossings by residents and non-residents, including U.S. travelers, by way of the International Travel Survey. In FY1992, Statistics Canada lost one-third of its funding for this program. To date, this major dilemma has not been resolved. Statistics Canada's solution to this problem is that all users will be required to fund substantial parts of processing this data. Because of this crisis, substantial increased costs are being passed on to USTTA. If USTTA is not able to comply, this would result in reduced sample sizes, resulting in compromises in the timeliness, the quality and detail of data on travelers to and from the U.S. We have been informed by Statistics Canada that costs to USTTA for

	FTE	Amount
the Canadian data for FY1994 will increase by $50,000. This unavoidable increase is an adjustment to base since no additional information will be provided to USTTA.		
Working Capital Fund		52
An additional $52,500 is required to fund cost increases in the General Administration's Working Capital Fund.		
Supplies and Materials		3
Based on the GDP deflator of 2.4%, the cost of supplies and materials is expected to increase by $3,360 from the 1993 estimate of $140,000.		
Restore FAAS Costs		1,140
In FY 1993, $1.140 million was appropriated to the Department of State for direct funding of FAAS charges. In FY 1994, the funds are requested in this account. The Department of State will provide these services on a reimbursable basis.		
Total, Adjustments-to-Base		(1,410)

Exhibit 10

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amounts in Thousands)

Activity: International Tourism Development
Subactivity: International Tourism Development

LINE ITEM		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Tourism Trade Development	Pos./BA	65	$13,979	65	$15,202	65	$12,672	67	$15,172	2	$2,500
	FTE/Obl.	64		65		65		67		2	
Receptive Service/Facilitation	Pos./BA	0	240	0	240	0	240	0	240	0	0
	FTE/Obl.	0		0		0		0		0	
Research	Pos./BA	6	1,294	6	1,431	6	1,702	6	1,702	0	0
	FTE/Obl.	6		6		6		6		0	
Policy	Pos./BA	8	585	8	591	8	581	8	581	0	0
	FTE/Obl.	8		8		8		8		0	
Direct obligations	Pos./BA	79	16,098	79	17,464	79	15,195	81	17,695	2	2,500
	FTE/Obl.	78		79		79		81		2	

Exhibit 12

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE
(Dollars in thousands)

Activity: International tourism development
Subactivity: International tourism development

Goals and Objectives for FY 1994

Goals:

The goal of international tourism development is to increase U.S. export earnings from trade in tourism by facilitating international tourism development; coordinating international tourism policy; carrying out statistical research programs designed to increase the American travel industry's awareness of the international tourism market; facilitating the entry of medium and small sized American travel companies into the market; eliminating barriers to market entry for those companies; and providing financial assistance to States, cities, and private organizations to develop regional Cooperative Tourism Marketing Programs.

Objectives:

The objectives of this subactivity are to encourage the U.S. travel and tourism industry to expand its international trade efforts to increase U.S. earnings from trade in tourism; increase the number of medium and small-sized firms involved in the international travel market; provide accurate and timely market research and economic data on international travel; identify and seek to remove barriers to the entry and growth of U.S. tourism services in the international market; facilitate the entry of regions, states, cities and private sector entities including medium and small-sized businesses into the international market by providing them with the market intelligence, counselling training and financial assistance necessary to develop their international tourism trade development programs; develop policies to assist in rural and ethnic tourism; and encourage and sponsor additional involvement by regional organizations, state and local governments in international tourism development efforts while protecting the environment through seminars, workshops and other forms of technical assistance.

The benefits of achieving these objectives are additional jobs, increased U.S. export earnings, higher national income, increased tax revenues, economic revitalization of rural areas which are looking beyond agriculture for business and employment opportunities, and economic assistance to minority communities through development of international tourism to their major attractions.

Base Program FY 1994

To meet its goals and objectives, USTTA develops pertinent international trade information on numerous tourism development opportunities for the American travel industry and provides counseling and training on these opportunities for the U.S. and international tourism business community. USTTA develops and makes available to the private sector as well as regions, state and local governments, a wide variety of tourism development programs and financial assistance designed to meet the planning and marketing needs of industry users and achieve the ultimate aim of increasing U.S. international tourism.

TOURISM TRADE DEVELOPMENT (FTE 65; $12,672)

USTTA conducts international tourism trade development programs to expand inbound tourism and to increase the competitiveness of U.S. travel companies in the international market. Its principal tourism trade development activities are designed to: educate and motivate U.S. travel industry organizations to enter/expand promotional efforts in markets abroad; facilitate these organizations' promotional efforts abroad; stimulate consumer demand for travel to the U.S.; educate and motivate travel agents and tour operators abroad to sell the U.S. as a destination; provide information and services to prospective visitors; and promote international attendance at U.S. congresses, conventions, and meetings.

Tourism Trade Development Staff - (FTE 15; $917)
Tourism Trade Development is responsible for establishing, implementing and supervising the agency's international tourism development program. This office is also responsible for the development and implementation of cooperative international tourism development programs with U.S. regions, states, cities, and the travel industry. This Office establishes and maintains working relationships with U.S. tourism groups to enlist cooperative partners, provide technical assistance and training to the U.S. travel trade, and holds trade development conferences aimed at coordinating U.S. international tourism development in key foreign markets. The Office conducts program reviews to assess and direct USTTA activities abroad. The tourism trade development staff is also responsible for

training, career development, financial management, and liaison with other segments of USTTA and Departmental program elements as well as for building a highly motivated, well-trained corps of tourism-oriented career foreign service officers for office operations abroad. This office monitors achievements of organizations who receive disaster relief grants and other financial assistance aimed at increasing tourism to their areas.

Regional Office Operations - (FTE 50; $11,755)

USTTA operations abroad work directly to increase U.S. earnings through trade in tourism and to increase the number of medium and small-sized firms participating in the international travel market. USTTA offices abroad were established to carry out Department of Commerce programs for the direct benefit of the U.S. economy. USTTA has offices in nine countries (Canada, Mexico, the United Kingdom, France, Germany, Japan, Australia, Italy and the Netherlands), and one domestic office in Miami, Florida which services five South American special market countries consisting of Argentina, Brazil, Colombia, Ecuador and Venezuela. USTTA offices abroad also operate cooperative travel development, technical assistance, and educational programs in 11 other countries in cooperation with the U.S. and Foreign Commercial Service and local VISIT USA Committees. For this reason, these offices are called regional offices. In 1993, these primary and special markets will provide an estimated 87% of all international visitors to the U.S. and 77% of U.S. tourism export earnings. The regional offices develop and implement cooperative trade development and support programs which stimulate international trade in tourism to all areas of the U.S. These programs are developed with the cooperation and input of Visit USA Committees in each market which consist of U.S. and foreign travel industry marketing representatives who provide the public and private sector support for USTTA's international tourism development program. Cooperative programs include cooperative advertising, journalist and travel agent familiarization tours, travel missions, travel trade shows, media events, and marketing workshops and seminars for the travel industry. Cooperative support programs include the development of informational travel brochures and displays, consumer and trade information services, maintenance of film and video libraries, photo libraries, and reference library material. These programs stimulate demand for U.S. tourism products. Informational materials are distributed through regional office consumer and trade information centers by trained market specialists and information counselors. These counselors educate and motivate the foreign-based wholesale and retail industry to increase their efforts on behalf of international tourism export development to the United States while providing travel information to consumers and retail agents.

RECEPTIVE SERVICES/FACILITATION ($240)

Multilingual Receptionist - ($240)
The cooperative multilingual receptionist program is supported by USTTA, The Department of Education, and airport and city authorities. USTTA's portion of funding represents approximately 16 percent of the total amount spent on this program. The multilingual receptionist program now operating at 12 major U.S. airports provides assistance in interpreting service to non-english speaking international visitors. The receptionists are stationed in Federal inspection areas and work closely with the Immigration and Naturalization Service, the Customs Service and the Department of Agriculture to expedite the entry of foreign visitors.

RESEARCH (FTE 6; $1,702)

The research function compiles market research and economic and demographic data on international travel markets and analyzes and disseminates this data to meet the needs of public and private sector decision makers.

Research Staff - (FTE 6; $420)
The Office of Research provides staff support and develops economic and marketing data required for program planning and evaluation in the public and private sector of the U.S. tourism industry. The research staff develops market analyses in direct support of Departmental and agency objectives and strategies; undertakes necessary research in support of, and advises on the direction and content of trade development programs contained in the agency's regional marketing plans; carries out tracking and periodic evaluation studies to assess the relative effectiveness of USTTA's tourism development programs; forecasts trends in international tourism; maintains a data bank of international travel information; and services several thousand travel industry requests for technical assistance and research information each year.

Research Program - ($1,282)
USTTA's research program gathers, analyzes, and provides comprehensive, timely data on international travel market economic activity to public and private sector marketing and policy planners. Major components of the USTTA research program include:

USTTA Survey of International Air Travelers -- ($697)
Initiated in FY 1982, the In-Flight Survey (IFS) gathers essential marketing information from U.S. and foreign

travelers departing the United States. The survey requires the cooperation of major international air carriers and the U.S. international airports. The in-kind support provided by these carriers and airports is at least equal to what USTTA spends on this program. USTTA also finances this program in part through user fees, subscriptions and interagency funding. In FY 1993, total program costs were $881,000, of which $262,000 came from sponsors and fee collections. In FY 1994, IFS costs will be around $900,000, of which approximately $120,000 will be paid by BEA and $83,000 from data user collections.

Besides providing comprehensive analyses of visitor characteristics, travel patterns and spending habits, the survey develops the Bureau of Economic Analysis (BEA) data on the U.S. international travel dollar accounts. The Office of Management and Budget (OMB) has mandated that the BEA use the travelers' expenditure data generated from this survey for estimating U.S. international travel receipts and payments for use in the balance of payment figures.

As a result of BEA's incorporation of the more reliable In-Flight Survey data base, the U.S. saw its first sustainable travel surplus of $5.4 billion in 1989. This positive balance continues with an estimated travel surplus for 1993 of $13.4 billion. Notwithstanding this important use, the travel industry relies heavily on the IFS. Quarterly reports are provided to the airlines and airports in return for their participation in data collection. Annual reports are also issued to subscribers on inbound and outbound market characteristics. Special analyses and user tapes are provided to major sponsors and individual purchasers as required. In 1993, a new survey instrument developed in conjunction with the airlines and travel industry will be implemented. The 1993 data will be processed in 1994. This data will provide the travel industry with an enhanced level of information never before provided to travel industry planners.

Several times in FY 1992, USTTA met with the participating airlines and other users of the In-Flight Survey data base. The airlines, airport authorities and other users requested that USTTA work closer with the U.S. Department of Transportation (DOT) and State Department related to international route cases. In response to this request, USTTA has developed a new initiative to work with DOT to have the In-Flight Survey recognized for international route planning. In meetings with DOT officials, they have stated an interest in this data set for this purpose, but they have also expressed concern on the survey's sample size, number of carriers and regional representation. DOT stated that, before they fully use this data base, improvements in these areas must be made.

Additionally, USTTA is also investigating the possibility of working closer with the Immigration and Naturalization Service (INS) and the U.S. Customs Service. USTTA anticipates that additional modifications to this program will be required to meet the needs of these agencies, and thus reduce overall survey burden to the public by abrogating the need for these agencies to produce their own.

Basic Foreign Travel Statistics -- ($269)

USTTA collects basic data on international travelers from four separate government sources. The first is a monthly count of non-immigrant foreign visitor arrivals by country of residence. Derived from the INS Form I-94, these data are collected by INS on inbound non-immigrant international visitors from overseas countries and is the only source for this information. This report provides the basic information on numbers of international visitors traveling to the U.S. from various countries and world regions. One use of these data is to weight the survey responses collected from the In-Flight Survey to a known foreign arrival universe. USTTA receives data tapes from INS and processes this data to provide reports on a monthly basis. These data also provide information to determine the number of visitors by country of residence, port-of-entry, mode of transportation, and type of visa. These data provide a base-line measurement of U.S. tourism export activities. USTTA also uses this information to develop a monthly report called the "Summary and Analysis of International Travel to the United States." It is released to USTTA staff and paying subscribers.

The second source tracks international air arrivals and departures of aliens and U.S. citizens by point of origin and destination, excluding Canada. These data are derived from the INS Form I-92 administered on a flight-by-flight basis. The information, processed and published by the Department of Transportation (DOT), provides critical support for the In-Flight Survey. It is used to weight the In-Flight Survey sample up to a known U.S. citizen outbound universe. This data base is the only source of information available on the volume and international travel patterns of outbound U.S. citizens. Consequently, it is also used by BEA in estimating international travel payments of Americans traveling abroad. In addition, it provides a means for analyzing U.S. international carriers' competitive performance against foreign flag carriers in individual foreign markets. USTTA is currently developing an interagency agreement with DOT to jointly publish the I-92 data base, which will allow USTTA to market the data outputs. Increased I-92 revenues generated through USTTA's sales marketing agency will return to DOT, and subsequently, back to the General Fund.

Two other sets of basic statistics on border-crossers are obtained from Canada and Mexico. Both the Canadian and Mexican governments have survey programs in place to gather these data. It is much more cost effective to obtain their data than to fund and implement a U.S. Government survey to collect the same type of information. Canadian data are purchased from Statistics Canada. Data on travel to and from Mexico is currently obtained from Banco de Mexico in exchange for Mexico data from USTTA's In-Flight Survey. Recent agreements to move toward a single set of travel data mean that USTTA will be more involved with Mexican statistics collection. These data are provided in the form of hard copy.

Co-sponsored Consumer Behavior Surveys -- ($196)

In-country consumer behavior surveys are jointly sponsored by USTTA and the Canadian Government. The studies are conducted in major international travel markets of mutual interest to Canada and the U.S. They establish U.S. competitive positioning, potential travelers' characteristics, prime market segments, and their images, attitudes, and international travel preferences. Data from these surveys guide development of U.S. public and private sector cooperative programs in the countries studied. In FY 1993, the cooperative research agreement calls for the re-study of Australia. The second country studied will either be Mexico or Taiwan, contingent on the needs of the two organizations involved. A special segment study is also slated. Only two countries are studied in a fashion consistent with earlier years. Special market segments are explored at the same time in the largest overseas markets of Japan, France, Germany and the United Kingdom.

Sale of survey reports and sponsorship by U.S./international travel industry organizations help fund the studies. The annual cost of the surveys is about $500,000 of which USTTA's estimated portion is $196,000, Tourism Canada's portion is $200,000 and $104,000 is estimated to be contributed by other sponsors. In FY 1994, the work will include consumer and travel trade studies in two of the four largest markets (France, Germany, Japan, and the United Kingdom), the exact determination as to which of the four will be made based on the needs of the two entities.

Marketing Program Evaluation Studies -- ($70)

Program evaluation studies track and assess the effectiveness and impact of selected USTTA programs. These studies include: assessments of consumer information services, readership studies assessing promotional campaigns, tracking of changes in visitation patterns of specific target market groups and surveys of seminar and conference attendees. Surveys are also conducted of those who rely on USTTA services to examine satisfaction and solicit suggestions for agency improvement. The information obtained from these evaluations is useful in assessing agency program effectiveness, impact and areas for improvement. The consumer evaluation studies have also been able to provide enhanced accuracy in reporting the effectiveness of USTTA's marketing programs by surveying larger samples of travelers affected by USTTA efforts. This higher level of accuracy will continue with this level of funding. In FY 1993, a follow up study will be conducted of the Consumer Information Service satisfaction study conducted in Germany in FY 1992. In addition, a trade show survey of the Expo Vacaciones in Guadalajara, Mexico is slated, and possible evaluation studies include the Netherlands Consumer Information Service, a pre- and post-awareness study in South America based on a television campaign featuring Disney and the Presidential video, and a pre- and post-awareness study in Germany based on release of the Presidential video.

Econometric Studies -- ($50)
Two types of studies using econometric models are conducted annually. The first is an International Travel Forecast Model. This program forecasts international visitor arrivals to the U.S. from major countries and world regions. It does so on a three year time horizon. These projections are updated three times annually and are critical to the industry for anticipating market developments and marketing opportunities. Additional economic indicators such as exchange rates, changes in consumer price index, and unemployment are derived from this work. The annual contract cost of model maintenance and forecast production is $23,000.

The second type of econometric analysis is an annual study of the Economic Impact of International Visitor Spending on the nation, regions and states. This study, conducted under contract, establishes the distribution and economic impact in terms of business receipts, jobs, payroll and tax revenues by sector of international travelers' expenditures in this country. These data are particularly useful in educating future cooperative partners about the potential of international travel markets. The anticipated FY 1994 cost is $27,000 for this project.

POLICY (FTE 8; $581)

The Office of Policy and Planning (OPP) function is responsible for a wide range of policy coordination and negotiation activities, both internationally and domestically, as well as policy analysis and strategic studies. It works on a broad interagency basis to make sure that travel and tourism interests are taken into account throughout the government in developing and implementing U.S. economic and trade policies which affect travel and tourism. The Office helps to identify new policy issues (such as the environment, health, safety and security, multi-cultural tourism, education and training, and the economic and competitive impact of electronic marketing); it provides policy support to all segments of the agency and the Department at all levels.

OPP also implements the tourism provisions of multilateral and bilateral trade and investment agreements including the U.S.-Canada Free Trade Area Agreement (CFTA) and North American Free Trade Agreement (NAFTA), U.S. bilateral tourism agreements, and other country- or region-specific policy arrangements; represents the Department at meetings of international, intergovernmental technically specialized agencies and their organs (including the 103-member General Agreement on Tariffs and Trade (GATT), the 108-member World Tourism Organization (WTO), the 15-member Asia-Pacific Economic Cooperation Group (APEC), the 34-member Organization of American States (OAS), the 24-member Organization for Economic Cooperation and Development (OECD), the 77-government member Pacific Asia Travel Association (PATA), and the 43-member Bureau of International Expositions (BIE), which regulates the timing and operation of World's Fairs). OPP represents the agency at meetings of various joint commercial commissions chaired by the Secretary of Commerce and is responsible for developing a U.S. policy response to the tourism-related aspects of the European Communities' movement toward a Single Market (EC '92).

OPP provides support to, and advises, the U.S. Trade Representative in the conduct of multilateral and bilateral trade and investment negotiations which affect the U.S. travel industry's access to international markets; represents the national tourism interest in bilateral civil aviation negotiations with foreign governments and ensures that tourism interests are considered when U.S. negotiating objectives and strategies are determined; and conducts other negotiations with foreign governments to reduce or eliminate impediments to international trade in tourism.

The Office also provides staff support to and coordinates the activities of the Secretary's Tourism Policy Council and its committees. Mandated by the National Tourism Policy Act, this interagency council is charged with coordinating the policies and programs of Federal Agencies that have a significant effect on tourism; identifying areas of cooperation between Federal Agencies and the programs they administer; resolving interagency policy and program conflicts; and seeking and considering industry, state and local government concerns about Federal policies which conflict with the orderly growth and development of tourism. During FY 1994, USTTA will continue to work through the Council to coordinate U.S. inspection agencies' preparations for the estimated 1.5 million additional international visitors who will arrive at U.S. ports of entry in 1994 to attend the World Cup Soccer matches to be held in nine U.S. cities. Similar activities will begin for the 1996 Summer Olympics in Atlanta, Georgia.

This Office is responsible for evaluating all proposals for international expositions to be held in the United States under PL 91-269; counselling all potential U.S. fair organizers seeking Federal recognition of a domestic world's fair on the application procedures of the Bureau of International Expositions (BIE); reviewing private sector applications for compliance with BIE regulations; conducting feasibility studies of international expositions proposed for the United States and making recommendations to the Secretary on their potential viability and suitability for Federal recognition; seeking BIE registration for Federally-recognized fairs; monitoring the development of Federally-recognized, BIE-sanctioned expositions; and organizing and coordinating the Federal Government's registered and recognized international expositions held in the United States.

Under the Tourism Policy and Export Promotion Act of 1992, OPP is responsible for developing a plan for identifying and analyzing acts, policies, or practices of each foreign country that constitute significant barriers to, or distortions of, U.S. travel and tourism exports. USTTA will develop methodology to estimate the distorting impact on U.S. commerce of any act, policy, or practice singled out through its tourism trade barriers identification program.

The Office also implements the tourism-related aspects of the Presidential initiative on rural development and develops policy programs including national rural tourism development conferences, which assist in economic development within the country leading to job opportunities, particularly for various ethnic groups and small- and medium-sized businesses. Under the Tourism and Policy Export Promotion of 1992, this office is called upon to assist in the administration of the Rural Tourism Development Foundation which was established as a non-profit, charitable corporation for the development and promotion of rural tourism.

OPP is also called upon to assist in the administration of the Travel and Tourism Advisory Board, the private sector group of travel and tourism executives and leaders created by statute to advise the Secretary of Commerce on all matters affecting U.S. travel and tourism interests. In doing so, OPP interacts with other governmental policy offices, intergovernmental organizations, state and local tourism offices, and the travel trade.

Exhibit 13

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
INCREASES FOR 1994
(Dollar amounts in thousands)

	1994 Base		1994 Estimate		Inc.(+) or Dec.(-)	
	FTE	Amount	FTE	Amount	FTE	Amount
International tourism development	79	$15,195	81	$17,695	+ 2	+ $2,500

INTERNATIONAL TOURISM TRADE DEVELOPMENT FINANCIAL ASSISTANCE PROGRAM - (+ 2 FTE; + $2,500)

USTTA requests resources to provide $2.5 million as financial assistance for the International Tourism Trade Development Financial Assistance Program outlined in P.L. 102-372, the Tourism Policy and Export Promotion Act of 1992. The Act requires that USTTA provide financial assistance to support development of targeted regional marketing initiatives developed as Cooperative Tourism Marketing Programs by state, city and non-profit organization applicants. The program provides support for a full range of integrated international marketing activities ranging from research and marketing plan development to product sale and program measurement. Fifty percent of the funds awarded under this program will be pooled for development of national international marketing strategies in each of the markets identified by the Secretary of Commerce as appropriate for international tourism promotion purposes.

The 2 FTE will administer and coordinate the program. In addition to executing the review and judging procedures in conjunction with grant awards, they will provide technical grant instructions to potential grant applicants, render international marketing guidance to prospective applicants prior to the development of applications, and provide assistance and support in carrying out the actual program components. In addition they will be responsible for analyzing reports to determine the effectiveness of the program and make necessary recommendations for improvement in the cooperative programs.

Following receipt of public comment in response to publication of draft regulations, the final rules and regulations for administering this program will be completed and published in the Federal Register.

Exhibit 14

DEPARTMENT of COMMERCE
United States Travel and Tourism Administration
Salaries and Expenses
PROGRAM CHANGE PERSONNEL DETAIL

Activity:	International Tourism Development
Subactivity:	International Tourism Development
Program Change:	International Tourism Trade Development Financial Assistance Program

Title:	Grade	Number	Annual Salary	Total Salaries
Financial Assistance Program Specialist	GM-13	1	$47,920	$47,920
Financial Assistance Program Specialist	GS-11	1	33,623	33,623
Total		2		81,543
Less lapse 25.00%		0		(20,386)
Total full-time permanent		2		61,157
1994 Pay Adjustment				0
Total				61,157

Personnel Data	Number
Full-Time Equivalent Employment	
Full-time permanent	2
Other than full-time permanent	0
Total	2
Authorized Positions:	
Full-time permanent	2
Other than full-time permanent	0
Total	2

*These positions will be funded through reductions in current resources.

Exhibit 15

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: International Tourism Development
Subactivity: International Tourism Development
Program Change: International Tourism Trade Development Financial Assistance Program

	Object Class	1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	61
11.3	Other than full-time permanent	
11.5	Other personnel compensation	
11.8	Special personnel services payments	
11.9	**Total personnel compensation**	61
12.1	Civilian personnel benefits	16
13	Benefits for former personnel	
21	Travel and transportation of persons	
22	Transportation of things	
23.1	Rental payments to GSA	
23.2	Rental payments to others	
23.3	Commun., util., misc. charges	
24	Printing and reproduction	15
25	Other services	(102)
26	Supplies and materials	5
31	Equipment	5
32	Lands and structures	
33	Investments and loans	
41	Grants, subsidies and contributions	2,500
42	Insurance claims and indemnities	
43	Interest and dividends	
44	Refunds	
99	**Total obligations**	2,500

Exhibit 10

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar Amounts in Thousands)

Activity: Executive Direction
Subactivity: Executive Direction

LINE ITEM		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Headquarters Staff	Pos./BA	15	$1,056	15	$1,070	15	$1,103	15	$1,103	0	$0
	FTE/Obl.	14		15		15		15		0	
Centralized Services	Pos./BA	0	1,161	0	1,310	0	1,500	0	1,500	0	0
	FTE/Obl.	0		0		0		0		0	
Direct obligations	Pos./BA	15	2,217	15	2,380	15	2,603	15	2,603	0	0
	FTE/Obl.	14		15		15		15		0	

Exhibit 12

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
JUSTIFICATION OF PROGRAM AND PERFORMANCE
(Dollars in thousands)

Activity: Executive direction
Subactivity: Executive direction

Goals and Objectives for FY 1994

Goals:

The goal of USTTA executive direction is to determine the overall policies and direction of USTTA and provide leadership in the implementation of the agency's goals, objectives and programs.

Objectives:

The objectives of this function are to: develop and implement managerial policies; provide strategic and tactical direction to USTTA trade development, trade policy and statistical research programs; provide effective administrative support of agency operations; and represent USTTA before the Congress, Federal Agencies and other governmental and private sector organizations.

Base Program FY 1994

USTTA's executive direction is provided by the Office of the Under Secretary and the Office of Strategic Planning and Administration. Together these offices provide strategic and administrative guidance and support to headquarters and foreign operations. Resources required for centralized services are also provided in this subactivity.

HEADQUARTERS STAFF (FTE 15; $1,103)

Office of the Under Secretary - (FTE 7; $657)
The Under Secretary of Commerce for Travel and Tourism is responsible for management and leadership of USTTA. The Under Secretary exercises the duties and responsibilities of the Secretary under the International Travel Act of 1961, as amended by the Tourism Policy and Export Promotion Act of 1992, the Omnibus Budget Reconciliation Act of 1990, and other authorities as delegated by the Secretary. The Under Secretary provides leadership at the national level to focus the attention and efforts of private, state and local tourism officials on increasing U.S. export earnings through international trade in tourism. The Under Secretary for Travel and Tourism is responsible for directing USTTA activities including Executive branch coordination, regional/state/city/industry/intergovernmental coordination and liaison, public relations support, and policy direction for the Travel and Tourism Advisory Board and Tourism Policy Council.

Office of Strategic Planning and Administration - (FTE 8; $446)
The Office of Strategic Planning and Administration (OSPA) advises USTTA offices on all administrative matters. It coordinates the planning for and preparation of all budget submissions required by the Agency. The Office prepares operating and program budgets for USTTA units and monitors the funds to ensure effective use is made and limits are not exceeded. The Office coordinates and processes all requests for training and personnel actions and all requirements for procurement action. OSPA is responsible for the analysis and evaluation of automatic data processing capabilities and needs with the purpose of recommending equipment that will allow the staff to operate using the latest technology available. OSPA is also responsible for coordinating the input and preparation of USTTA's strategic plan of operation.

CENTRALIZED SERVICES ($1,500)

Centralized services consist of administrative support furnished by the Department of Commerce, and other Government Agencies or USTTA itself, to all USTTA offices located in Washington, D.C. and Miami, Florida. These services which are paid to the providers include GSA space rental, postal charges to the United States Postal Service, telephone services, Federal Telecommunications Services, publications services, automatic data processing services, personnel services, accounting support, security services, procurement support and legal assistance.

Exhibit 16

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation					
11.1	Full–time permanent	4,693	4,858	4,939	5,000	61
11.3	Other than full–time permanent	67	30	30	30	0
11.5	Other personnel compensation	111	46	51	51	0
11.8	Special personnel services payments	0	0	0	0	0
11.9	Total personnel compensation	4,871	4,934	5,020	5,081	61
12.1	Civilian personnel benefits	1,271	1,365	1,396	1,412	16
13	Benefits for former personnel	45	0	0	0	0
21	Travel and transportation of persons	698	435	416	416	0
22	Transportation of things	151	60	80	80	0
23.1	Rental payments to GSA	441	408	480	480	0
23.2	Rental payments to others	1,023	953	1,078	1,078	0
23.3	Commun., util., misc. charges	836	750	861	861	0
24	Printing and reproduction	340	504	450	465	15
25	Other services	5,305	6,827	7,744	7,642	(102)
26	Supplies and materials	289	140	189	194	5
31	Equipment	103	68	84	89	5
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	2,936	3,400	0	2,500	2,500
42	Insurance claims and indemnities	6	0	0	0	0
43	Interest and dividends	0	0	0	0	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	18,315	19,844	17,798	20,298	2,500

Exhibit 16

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
Personnel Data					
Full–Time equivalent Employment:					
Full–time permanent	91	91	91	93	2
Other than full–time permanent	3	3	3	3	0
Total	94	94	94	96	2
Authorized Positions:					
Full–time permanent	91	91	91	93	2
Other than full–time permanent	3	3	3	3	0
Total	94	94	94	96	2

Exhibit 17

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11 Personnel compensation				
11.1 Full–time permanent				
Executive level	0	123	123	0
Senior executive service	0	527	527	0
General schedule	79	1,721	1,782	61
Commissioned officers	0	0	0	0
Wage board/wage marine	0	0	0	0
Scientific & professional (P.L. 8–303)	0	0	0	0
Examiners of patent appeals (P.L. 82–593, 98–622)	0	0	0	0
Senior foreign service	0	0	0	0
Foreign service staff	14	1,212	1,212	0
Foreign service nationals	98	1,356	1,356	0
Consultants & experts	0	0	0	0
Subtotal	191	4,939	5,000	61
11.3 Other than full–time permanent				
General schedule	0	25	25	0
Wage board	0	0	0	0
Consultants & experts	0	5	5	0
Personnel Service Contracts	0	0	0	0
Hourly	0	0	0	0
Subtotal		30	30	0
11.5 Other personnel compensation				
Overtime	0	7	7	0
SES performance awards	0	6	6	0
Cash awards	0	13	13	0
Merit pay awards	0	25	25	0
Other	0	0	0	0
Subtotal	0	51	51	0

Exhibit 17

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11.8 Special personnel services payments				
Foreign service officers (State)	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
11.9 Total personnel compensation	191	5,020	5,081	61
12.1 Civilian personnel benefits				
Civil Service retirement	(14)	81	81	0
Federal employees' retirement	35	233	241	8
Thrift savings plan	4	37	38	1
OASDI	10	49	53	4
Medicare	0	52	53	1
Health insurance	12	184	186	2
Life insurance	0	12	12	0
Employees' compensation fund	24	24	24	0
Other	0	724	724	0
Subtotal	71	1,396	1,412	16
13 Benefits for former personnel				
Severance pay	0	0	0	0
Unemployment compensation	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0

Exhibit 17

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
21	Travel and transportation of persons				
	Common carrier	0	143	143	0
	Mileage	0	21	21	0
	Per diem/actual	12	238	238	0
	Vehicular	0	7	7	0
	Other	0	7	7	0
	Subtotal	12	416	416	0
22	Transportation of things	0	80	80	0
23.1	Rental payments to GSA	72	480	480	0
23.2	Rental payments to others	125	1,078	1,078	0
23.2	Communications, utilities and miscellaneous charges				
	Rental of ADP equipment	0	0	0	0
	Rental of office copying equipment	12	76	76	0
	Other equipment rental	8	30	30	0
	Federal telecommunications system	6	58	58	0
	Other telecommunications service	58	396	396	0
	Postal Service by USPS	5	64	64	0
	Other	22	237	237	0
	Subtotal	111	861	861	0
24	Printing and reproduction				
	Publications	19	398	404	6
	Public use forms	0	1	2	1
	Envelopes	0	10	12	2
	Other	0	41	47	6
	Subtotal	19	450	465	15

Exhibit 17

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
25 Other services				
Training:				
University	0	0	0	0
Office of personnel management	0	5	5	0
Other	0	15	15	0
Maintenance of equipment	0	25	25	0
GSA reimbursable services	0	16	16	0
ADP services	0	6	6	0
Telecommunications services	2	6	6	0
Payments to GA, WCF	52	544	544	0
Other non-government contracts	306	5,665	5,563	(102)
Other	1,225	1,462	1,462	0
Subtotal	1,585	7,744	7,642	(102)
26 Supplies and materials				
Office supplies	4	153	157	4
ADP supplies	0	22	23	1
Other	0	14	14	0
Subtotal	4	189	194	5
31 Equipment				
Office machines and equipment	0	13	16	3
ADP hardware	0	60	62	2
ADP Software	0	11	11	0
Other	0	0	0	0
Subtotal	0	84	89	5

Exhibit 17

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
DETAILED REQUIREMENTS BY OBJECT CLASS
(Dollar amounts in thousands)

	Object Class	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
32	Lands and structure	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies, and contributions	(3,600)	0	2,500	2,500
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	**Total Obligations**	(1,410)	17,798	20,298	2,500
	Less prior year recoveries	0	0	0	0
	Total Budget Authority	(1,410)	17,798	20,298	2,500

Exhibit 13

DEPARTMENT OF COMMERCE
UNITED STATES TRAVEL AND TOURISM ADMINISTRATION
Salaries and Expenses
APPROPRIATION LANGUAGE AND CODE CITATION

1."For necessary expenses of the United States Travel and Tourism Administration including travel and tourism promotional activities abroad for travel to the United States and its possessions without regard to 44 U.S.C. 501, 3702 3703;"

16 U.S.C. 18
22 U.S.C. 2121-2127

16 U.S.C. 18 reads: the "Secretary of Commerce shall encourage, promote, and develop travel within the United States, including any Commonwealth, territory, and possession thereof, through activities which are in the public interest and which do not compete with activities of any State, city, or private agency..."

22 U.S.C. 2121-2127 provides that "...the Secretary of Commerce shall...develop, plan and carry out a comprehensive program designed to stimulate and encourage travel to the United States by residents of foreign countries.."

2. "and including employment of American citizens and aliens by contract for services abroad;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to present its overseas exhibitions, USTTA often requires the use of receptionists, clerical, and other personnel; who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country because they have greater familiarity with American methods and, therefore, require less effort to train.

3. "rental of space abroad for periods not exceeding five years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; advance of funds under contracts abroad;"

No Specific Authority

40 U.S.C 601 prohibits the construction of public buildings except by the Administrator of the General Services Administration. Authority to purchase or construct such demountable structures is necessary to allow USTTA to present exhibitions overseas when permanent exhibition facilities are not available. 41 U.S.C. 10a permits the purchase of articles, materials, or supplies in foreign countries when they are to be used in that country.

4. "payment of tort claims in the manner authorized in the first paragraph of 28 U.S.C. 2672, when such claims arise in foreign countries;"

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of $2,500 or less against the United States by the head of each Federal agency for loss of property or personal injury or death caused by a "wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable...." However, 28 U.S.C. 2680 exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672.

5. "and not to exceed $15,000 for representation expenses abroad:"

No Specific Authority

5 U.S.C. 5536 prohibits additional pay or allowance to employees unless the appropriation therefore specifically states that it is for the additional pay or allowance.

6. "To remain available until expended:"

No Specific Authority

31 U.S.C. 718 - Appropriations in annual Appropriation Acts not permanent, states: "No specific or indefinite appropriations...shall be construed to be permanent or available continuously...unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the Appropriations Act in which it is contained makes provisions."

7. "Provided, That in addition to fees currently being assessed and collected, the Administration shall charge users of its services, products, and information, fees sufficient to result in an additional $3,000,000 to be deposited in the General Fund of the Treasury."

22 U.S.C. 2121-2127

22 U.S.C. 2121-2127 provides "That in addition to fees currently being assessed and collected, the Administration shall charge users of its services, products, and information, fees sufficient to result in an additional $3,000,000, to be deposited in the General fund of the Treasury.

Exhibit 34

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	1992 Actual	1993 Estimate	1994 Estimate
Consulting Services	48	31	0
Management and professional services	...	...	...
Special Studies and analysis	...	...	...
Management and Suppport services for research and development	...	...	...
TOTAL	48	31	0

In fiscal years 1992 and 1993, USTTA uses the services of consultants to provide expertise for the compilation of required special reports.

Exhibit 35

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
PERIODICALS, PAMPHLETS, and AUDIOVISUAL PRODUCTS
(Obligations in thousands)

	1991 Actual	1992 Actual	1993 Estimate	1994 Estimate
Periodicals	0	0	0	0
Pamphlets	304	386	317	330
Audiovisuals	0	0	0	0
TOTAL	304	386	317	330

The amounts reflect cost for reprinting and resupplying USTTA regional brochures.

Exhibit 36

Department of Commerce
United States Travel and Tourism Administration
Salaries and Expenses
AVERAGE GRADE AND SALARIES
(Obligations in thousands)

	1992 Actual	1993 Estimate	1994 Estimate
Direct:			
Average ES Grade	3.60	4.00	4.00
Average GS/GM Grade	10.55	10.55	10.62
Average GS/GM Salary	37,639	39,031	39,114
Average FS Grade	2.00	1.88	1.88
Average FS Salary	53,084	56,394	56,394

Mr. SMITH. Testifying on behalf of this request today is the Director of the USTTA Office of Strategic Planning and Administration, Lee J. Wells. We welcome you; please proceed with your testimony.

OPENING STATEMENT

Mr. WELLS. Good afternoon, Mr. Chairman.

Mr. Chairman and Members of the subcommittee, I am pleased to appear before you to present the United States Travel and Tourism Administration's budget request of $20.3 million for fiscal year 1994.

The President and Secretary of Commerce share a goal of building a strong and vital and competitive economy. USTTA's programs will assist in accomplishing that goal.

The International Travel Act as amended, USTTA's enabling legislation, charges it with serving as the Nation's official government tourist office, coordinating cooperative public and private sector international travel promotion efforts, providing objective research statistics, promoting inbound tourism from abroad, and stimulating orderly travel development within the United States.

USTTA's programs seek to further the development of international travel and tourism within the United States. Such increased development contributes to our economic growth and stability, improves international competitiveness, and expands our international exchange earnings. These programs range from conducting regional, State and local tourism market planning and product development seminars; coordinating the Federal Government's role in supporting and marketing major international events held in the United States; to identifying and combatting foreign and domestic barriers to international trade and tourism through legislation and bilateral and multilateral negotiations.

USTTA's programs support the international tourism trade development of States, cities, regions, and private industry in entering and participating in the international travel market. USTTA's programs place special emphasis on small businesses, cultural and ethnic communities and rural areas.

Many states rely on USTTA to provide them with technical assistance and support in their international marketing efforts and to serve as their international liaison with the travel trade and media in the international marketplace.

Utilizing research analyses and statistics, USTTA identifies marketing opportunities which assist prospective businesses, states, cities or regional organizations to enter the international marketplace as participants in initiatives which are aimed toward generating positive economic and social benefits.

USTTA also encourages growth in international tourism by providing marketing expertise and policy guidelines in step with international trade agreements. USTTA's programs are carried out by a complement of 94 positions at headquarters in Washington, D.C. and in 10 international offices to serve potential international visitors worldwide. These international offices are located in Canada, Mexico, Japan, England, Germany, France, The Netherlands, Italy, Australia and Miami to serve South America.

The economic facts of tourism speak for themselves. In 1992, expenditures for travel and tourism, both domestic travel and international travel to the United States, amounted to more than $365 billion, accounted for more than 6 percent of our GNP, directly provided over 6 million jobs, and helped offset our Nation's $62.4 billion trade deficit.

In 1992, 45 million international visitors came to the United States and spent nearly $73 billion. This generated an estimated $7.3 billion in tax revenues and supported more than 1 million jobs in the United States. In 1992, the United States enjoyed a tourism trade surplus of $16.3 billion.

In other words, international travel to the United States is one of our largest exports. It ranks ahead of agricultural goods, chemicals, and motor vehicles. It is our largest business service export.

Tourism also has a positive spillover effect on other areas of the U.S. economy because it supports the construction of hotels, the manufacture of automobiles and airplanes, and depends on food production and several other service industry components. Simply put, international tourism to the United States is a powerful, and as research shows, an underutilized economic development tool for our communities and for the United States.

The Tourism Policy and Export Promotion Act of 1992 made substantial changes to the International Travel Act, provided USTTA with authorization through fiscal year 1996, and requires USTTA to perform a number of short-term studies.

For example, USTTA must now have a Deputy Under Secretary of Commerce for Travel and Tourism appointed by the Secretary of Commerce from the career service; submit to Congress a comprehensive study on regional office operations; and investigate quality improvements in the area of research statistics.

The 1992 act also establishes a Rural Tourism Development Foundation. As rural communities continue to seek alternatives to economic development other than the once dominant industries of farming, ranching, and mining, many areas are looking towards more sustainable resources as a development tool. Tourism is a highly viable option because its implementation relies on an area's cultural, historic, ethnic and geographic and natural uniqueness.

Lesser known rural areas that could offer a satisfying tourist experience to our international visitors need assistance entering the international market. The Tourism Development Foundation will plan, develop and implement projects and programs to foster this economic option for rural America.

INCREASES FOR FY 1994

The Tourism Policy and Export Promotion Act of 1992 also acknowledges the facilitative role of USTTA to assist U.S. communities in the development and promotion of their tourism product. It further recognizes that communities need both technical and financial assistance to fully realize the economic potential available through international tourism.

The act amends the International Travel Act of 1961 to require that 25 percent of USTTA's appropriated funds in fiscal years 1994, 1995 and 1996 be available for a new financial assistance program.

The Department intends to comply with the provisions of the recent Tourism Policy and Export Promotion Act, especially regarding the requirement that 25 percent of the funds appropriated will be used to provide grants for State, regional and national tourism marketing. We are in communication with OMB on this matter, and expect resolution of the issue in the near future.

As more communities become actively involved in the export of international tourism through regional programs and the comprehensive national campaign, this initiative will contribute significantly to the ability of the United States to garner increased market share in the international travel arena. This, in turn, will advance the economic rewards that tourism generates through increased international travel receipts with subsequent gains in job, growth and tax revenues.

In conclusion, I would like to emphasize that despite recessions in many parts of the world, the international travel and tourism market continues to flourish and the United States must strive to maintain and increase its share. The 1992 tourism surplus of $16.3 billion demands attention when considering the status of the United States in the international balance of payments. The importance of travel and tourism as an integral service industry in the United States continues to grow with the support of the United States Travel and Tourism Administration.

Mr. Chairman, that concludes my statement. I and my associate, Mr. Don Wynegar, Deputy Assistant Secretary for Tourism Marketing, would be pleased to answer the questions you may have.

[The prepared statement of Mr. Wells follows:]

PREPARED STATEMENT BY LEE J. WELLS
DIRECTOR, OFFICE OF STRATEGIC PLANNING AND ADMINISTRATION

Before the Subcommittee on
Commerce, Justice, State, the Judiciary and Related Agencies
Committee on Appropriations
House
April 27, 1993

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you to present the United States Travel and Tourism Administration's (USTTA's) budget request of $20.3 million for fiscal year 1994.

The President and Secretary of Commerce share a goal of building a strong and vital and competitive economy. USTTA's programs will assist in accomplishing that goal.

The International Travel Act as amended, USTTA's enabling legislation, charges it with serving as the nation's official government tourist office, coordinating cooperative public and private sector international travel promotion efforts, providing objective research statistics, promoting inbound tourism from abroad, and stimulating orderly travel development within the United States.

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USTTA's programs support the international tourism trade development of States, cities, regions, and private industry in entering and participating in the international travel market. USTTA's programs place special emphasis on small businesses, cultural and ethnic communities, and rural areas.

Many states rely on USTTA to provide them with technical assistance and support in their international marketing efforts and to serve as their international liaison with the travel trade and media in the international marketplace. Utilizing research analyses and statistics, USTTA identifies marketing opportunities which assist prospective businesses, states, cities or regional organizations to enter the international marketplace as participants in initiatives which are aimed toward generating positive economic and social benefits.

USTTA also encourages growth in international tourism by providing marketing expertise and policy guidelines in step with international trade agreements.

USTTA's programs are currently carried out by a complement of ninety-four positions at headquarters in Washington, D.C., and in ten international offices to serve potential international visitors worldwide. These international offices are located in Canada, Mexico, Japan, England, Germany, France, The Netherlands, Italy, Australia, and Miami to service South America.

The economic facts of tourism speak for themselves. In 1992, expenditures for travel and tourism, both domestic travel and international travel to the United States, amounted to more than 360 billion dollars, accounted for more than 6 percent of the GNP, directly provided over 6 million jobs, and helped offset our nation's 62.4 billion dollar trade deficit. In 1992, 45 million international visitors came to the United States and spent nearly 73 billion dollars. This generated an estimated 7.3 billion dollars in tax revenues and supported more than one million jobs in the United States. In 1992, the United States enjoyed a tourism trade surplus of 16.3 billion dollars.

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The Tourism Policy and Export Promotion Act of 1992 made substantial changes to the International Travel Act, provided USTTA with authorization through fiscal year 1996, and requires USTTA to perform a number of short term studies. For example, USTTA now must have a Deputy Under Secretary of Commerce for Travel and Tourism appointed by the Secretary of Commerce from the career service; submit to Congress a comprehensive study on regional office operations; and investigate quality improvements in the area of research statistics.

The 1992 Act also establishes a Rural Tourism Development Foundation. As rural communities continue to seek alternatives to economic development other than the once dominant industries of farming, ranching, and mining, many areas are looking towards more sustainable resources as a development tool. Tourism is a highly viable option because its implementation relies on an area's cultural, historic, ethnic, geographic and natural uniqueness. Lesser known rural areas that could offer a satisfying tourist experience to our international visitors need assistance entering the international market. The Rural Tourism Development Foundation will plan, develop and implement projects and programs to foster this economic option for rural America.

Increases for FY 1994

The Tourism Policy and Export Promotion Act of 1992 also acknowledges the facilitative role of USTTA to assist U.S. communities in the development and promotion of their tourism product. It further recognizes that communities need both technical and financial assistance to fully realize the economic potential available through international tourism. The Act amends the International Travel Act of 1961 to require that 25% of USTTA's appropriated funds in FY 1994, 1995 and 1996 be available for a new financial assistance program.

The Department intends to comply with the provisions of the recent Tourism Policy and Export Promotion Act, especially regarding the requirement that 25 percent of the funds appropriated will be used to provide grants for state, regional and national tourism marketing. We are in communication with OMB on this matter, and expect resolution of this issue in the near future.

As more communities become actively involved in the export of international tourism through regional programs and the comprehensive national campaign, this initiative will contribute significantly to the ability of the United States to garner increased market share in the international travel arena. This, in turn, will advance the economic rewards that tourism generates through increased international travel receipts with subsequent gains in job growth and tax revenues.

Summary

In conclusion, I would like to emphasize that despite recessions in many parts of the world, the international travel and tourism market continues to flourish, and the United States must strive to maintain and increase its share. The 1992 tourism surplus of $16.3 billion demands attention when considering the status of the United States in the international balance of payments. The importance of travel and tourism as an integral service industry in the United States continues to grow with the support of the United States Travel and Tourism Administration.

Mr. Chairman, that concludes my statement. I would be pleased to answer the Subcommittee's questions.

FISCAL YEAR 1993 BUDGET

Mr. **Smith.** How many dollars did you have in FY 1993?

Mr. **Wells.** $19,208,000.

Mr. **Smith.** How much of that is used for this cooperative tourism marketing program?

Mr. **Wells.** Could you explain—the cooperative tourism marketing that we are talking about in the new authorization bill?

Mr. **Smith.** The new program.

Mr. **Wells.** None of that is. That was a new program added on September 30th, 1992 for FY 1994.

FISCAL YEAR 1994 BUDGET REQUEST

Mr. **Smith.** So you are asking for $20,298,000 now.

Mr. **Wells.** That is correct, sir.

Mr. **Smith.** Did I understand you to say that you are amending your request now to comply with this 25 percent requirement?

Mr. **Wells.** We are now in discussions with OMB on this issue to try and comply with that 25 percent requirement.

Mr. **Smith.** So you have $15 million left then for the other programs that you had $19 million for last year?

Mr. **Wells.** That is right.

BUDGET REDUCTIONS

Mr. **Smith.** So if you have to cut the programs you had last year by $4.2 million, which programs would you cut?

Mr. **Wells.** Well, our figures are that we would need to make a reduction of about $2,850,000 to comply with the requirements of that act and cut it by the 25 percent. If that were to happen, basically it would seriously injure the ability of the agency to have in place the structure and the mechanism and so forth to be able to provide the type of assistance needed to the States and the cities.

Mr. **Smith.** Well, let's get that down to where we understand it a little better.

Mr. **Wells.** Okay.

Mr. **Smith.** If you are required to provide $5 million for something you didn't have last year, then you are cutting $5 million from the $19.2 million. So then you have got $14.2 million that you had last year.

Mr. **Wells.** Yes, sir.

Mr. **Smith.** For those programs that you had $19.2 million for?

Mr. **Wells.** Yes.

Mr. **Smith.** Okay. Precisely what is it that you would cut out?

Mr. **Wells.** Well, there is one item in the $19,208,000. There is a one-time or a last financial assistance disaster relief supplemental of $3.6 million. That is $3.6 million.

Mr. **Smith.** 3.6.

Mr. **Wells.** Right. The originally appropriated amount was $15,608,000 for fiscal year 1993 before that supplemental was approved.

Mr. **Smith.** What I am afraid of is, with all of these disasters, that we are going to have some more of that kind of thing. You would not have anything to take care of any of these new disasters in the event that there were any.

Mr. WELLS. That is right.

Mr. SMITH. Plus you would then have a reduction besides that, and what would you take that out of?

Mr. WELLS. We would have to look at a number of options, Mr. Chairman, things such as our Consumer and Trade Information Service, our cooperative tourism agreements in the area of advertising and marketing abroad that we do in conjunction with States and cities.

We would have to look at the option of closing some of our offices overseas, and in addition to that, we would have to cut back on some of our research programs, such as our consumer market studies, and our evaluation research. We would have to cut back on the brochures that we print for distribution to the potential visitors overseas and we would have to take a strong look at our Multilingual Receptionist Program which provides interpretive language services at various airports and facilities in the U.S.

PROPOSED FINANCIAL ASSISTANCE PROGRAM

Mr. SMITH. Now, as opposed to cutting those things back, this money would then be transferred over to this cooperative tourism service. What service exactly is it going to provide?

Mr. WELLS. The financial assistance would be provided to cooperative tourism marketing programs. These can be formed by two or more States, one or more States and one more political subdivision of States, and one or more States and one or more nonprofit organizations.

They could form themselves into alliances and then make an application for these funds. The legislation calls for them to match up to 25 percent of the amount of the grant that they receive from USTTA. These funds would then be used for two types of programs.

One would be what we term a national program where you would promote the United States in general. The other would provide for programs aimed at promoting the particular area that had applied for the grant. They could use that to promote their own region or their own State or what have you.

Mr. SMITH. Now, give us, to the extent you can, some idea about how far $5 million goes for all of that. You will have a lot more applications than you can approve; is that right, or not?

Mr. WELLS. Well, that is probably right. As this program becomes more and more known, we expect we will get a number of applications. Between the $5 million that we would put in and the 25 percent, a million and a quarter I guess, it would be about $6.25 million that would be available for these types of assistance grants in markets designated by the Secretary.

DESIGNATION OF MARKETS BY SECRETARY

Mr. SMITH. The Secretary would designate where these grants would go?

Mr. WELLS. Yes, he would designate the markets. There is a provision in the Tourism Policy and Export Promotion Act of 1992 that calls for the Secretary to publish a notice in the Federal Register asking for those interested to make recommendations on the markets that they feel would be viable to enter, and then based on that input, the Secretary is to make a decision as to what markets the agency would be promoting in the following 12-month period, beginning at the next fiscal year.

Mr. SMITH. Now, originally you proposed to have language to eliminate that 25 percent, didn't you?

Mr. WELLS. That is correct, Mr. Chairman.

Mr. SMITH. Now, are you changing that, or not?

Mr. WELLS. At this point, the change has not been made, but we are in discussions with OMB at this time looking at that potential of increasing the resources to be able to comply with that 25 percent requirement.

RELATIONSHIP OF APPROPRIATION AND AUTHORIZING COMMITTEES

Mr. SMITH. Well, for whatever it is worth, we take, and always have taken, a very dim view of authorizing committees setting appropriations levels, just as they take a dim view of appropriations committees setting authorizing guidelines. In the past we have never followed it. We have made sure before we got out of conference that we eliminated those. The reason is that it is an appropriations matter and it is not for authorizing committees to do.

You just gave me the facts and figures about what is wrong with setting arbitrary minimums out of the total appropriation. You don't know yet what the total appropriation is, so you don't know yet what is going to be cut out in order to provide that floor under a new program. It is just not the way appropriations are handled.

IN-FLIGHT SURVEY

Tell me about this in-flight survey. What is the total amount of money that you are devoting to that, and what is the total cost? What agencies and organizations are involved?

Mr. WELLS. I would like to refer that question to Mr. Wynegar, our Deputy Assistant Secretary for Tourism Marketing who used to be our Director of Research also.

Mr. WYNEGAR. First of all, a little bit about the in-flight survey. It is conducted monthly on out-bound flights leaving the United States on a statistical sample basis, about 1 percent or less of flights leaving are surveyed.

The survey is conducted through the in-kind support of the airlines. There are 50 plus airlines, both U.S. and foreign carriers, that are participating voluntarily in the survey at no cost to the government. Basically, they distribute and collect the questionnaires on board the flights for us and return them to our contractor, who then tabulates the data.

Mr. SMITH. Do they determine what goes into the survey?

Mr. WYNEGAR. No, not actually. There is an advisory group made up of the airline representatives that do provide advice to us about what needs to be in the survey, and of course, since they are doing it free, we do try to accommodate them to the extent we can.

The data is collected both on outbound Americans leaving the country and foreign travelers as they go back home. So the database is very complete on what foreign visitors did while in the United States, in terms of where they visited, how long they stayed, how much they spent, et cetera.

The database is critical to the U.S. travel industry and even the Bureau of Economic Analysis in the Department of Commerce in terms of our balance of payments, to determine how much is spent on foreign tourism and in what categories.

Through that mechanism, we were able to change the databases in 1989 to this new format, and we were able to show that we switched over to a surplus in our tourism account that year as a result of that change. Since then, we have seen that surplus go up to $16.5 billion, so it is a very important database just from the statistical point of view.

From the marketing point of view, it is the only database available to track where foreign visitors go in the United States, how many go to Iowa, for example. This database allows us to know that, so it is a very important marketing tool as well.

There are several agencies involved in this one way or the other. A Department of Transportation database is used for weighting purposes, the I–92 form looks at passenger flow by airline. The Bureau of Economic Analysis uses the data, as I indicated, calculating the balance of payments in tourism. The Immigration and Naturalization Service is a source of data for weighting the foreign visitor survey statistics to represent total arrival from overseas. So there are a number of bureaus that are involved in this directly and indirectly.

I believe the amount of money spent on this is currently around 800,000 to a million dollars. I can't recall, exactly.

Mr. WELLS. I have that here; I am looking for it.

Mr. WYNEGAR. Again, the majority of the costs are borne by the airlines through the in-kind support that we do receive from them.

Mr. WELLS. In fiscal 1993, total program costs for the in-flight are estimated for $881,000 of which $262,000 will come from sponsors and fee collections, and the balance will be from our appropriation.

Mr. WYNEGAR. We do sell the data on the other end as well.

FEE INCOME

Mr. SMITH. Are you permitted to keep some fees?

Mr. WYNEGAR. We are allowed to collect fees up to the cost of producing the program; we aren't allowed to make a profit on it.

Mr. SMITH. Just on that one program; is that it?

Mr. WYNEGAR. On any program, sir.

Mr. SMITH. On any program.

Mr. WELLS. We have a number of areas in which we set fees. For example, the biggest area is in our trade shows that are held overseas whereby we have U.S. companies that come in and exhibit at those particular trade shows and we charge them a fee to cover the cost of putting that particular show on.

Mr. SMITH. Do you have the figures as to how much you collected in total fees?

Mr. WELLS. Yes, we do, Mr. Chairman. Last year it was approximately $2.2 million.

Mr. SMITH. Were your expenses then in excess of what you collected for those same purposes?

Mr. **Wells**. Well, the goal in all of those is to set the fee at a level which offsets the cost of those particular programs. So in the area of the trade shows overseas, we try and set it so it is an exact match. In the case of the in-flight survey, what it does is it reduces the amount that we have to put in. So in this case, the program costs about $881,000 and $262,000 was offset by the collections and we put up the balance.

TRADE SHOWS

Mr. **Smith**. With regard to the trade shows and these other things, how did the fee collection figures come out? Did they come out even, or did you collect more money than you used, or less?

Mr. **Wells**. Very close. It came out very close. They are set that way and what happens is, when we set up the event, we set it up at the beginning based on the cost from the last year's show, and then we let the exhibitors know that we are setting this target, and then we take the fees in, and pay for the exhibit costs.

If there is anything left over, then we let that remain in that project and that becomes the basis of the project in the next fiscal year, so then we would offset anything in the next year by that and we would let it ride.

There is no limit to that fund. And unless the exhibitor asks for a refund of any remaining balance-if, for example, a participation fee for a trade show is $5,000 and the actual cost would come in at 4,900, we wouldn't return the $100 at the end unless we are requested.

$100 MILLION OR NOTHING

Mr. **Smith**. Well, this is an area we have been looking at for a good many years. There was a fellow who happened to be by the name of Smith, no relation to me, that I believe was head of American Airlines. He became Secretary of Commerce some years ago.

At the end of his responsibilities there, he came in here and we asked what advice he had to give us. We were spending $12 million at that time. He said that we should either spend a $100 million on travel promotion or quit this whole thing. You are just wasting the money. Airlines are doing the promoting anyway, and if you are not going to spend enough money to make some difference, why, forget it.

Ever since, nobody has ever proposed spending a $100 million. Your request today is probably less than $12 million was then in purchasing power by quite a bit. We get over to places like Copenhagen and they are bragging about how they had this big increase in tourism from Denmark to the United States, and how great this tourism program was.

When we talked to the Chamber of Commerce people over there from the United States, and the airlines people, we find out that one of the airlines had a great big promotion, two for one, to the United States. Because of the value of the dollar it was cheaper to come and vacation in the United States than it was to stay in Denmark.

Obviously, that was what really happened, rather than some promotion by USTTA. It really makes us wonder.

Tourism is important; I understand that. It is not creating new goods; it is getting enjoyment money from somebody. But it really makes us wonder every year, in looking at these figures, whether or not we need to justify what is there or whether we ought to spend enough to really make a difference.

Mr. WELLS. Well, you know, Mr. Chairman, with respect to that, I acknowledge the importance of money to do promotions overseas, but there is also another aspect of it that is really important, and that is that the existence of the offices overseas provides a resource in the marketplace for a lot of the smaller States and regions and also businesses that, of themselves, don't have the size to be able to be in the market, and they utilize the expertise of our offices.

Many of the people in our offices come from a travel background, have been in these countries for a lot of years, and they are able to introduce them to the marketplace. They serve as a catalyst so that the members of the travel industry are able, without having necessarily large budgets themselves, to at least get an introduction to that market which they perhaps wouldn't have been if it hadn't——

Mr. SMITH. Well, from an international standpoint though, what is happening is that the tourists come to state A instead of state B. From a national standpoint, what we are interested in is that they come to the United States.

Mr. WELLS. That is correct. That is correct.

Mr. SMITH. So that doesn't really add anything to why we should have a Federal contribution, does it?

Mr. WELLS. Well, it does in the sense that we get requests from people from New England, from the Midwest, from the Far West. We have reports that show that the projects that we are involved with, we are involved in partnerships which service about 5,000 various members, of the tourism industry in a given year. We encompass most of the 50 States in the activities that we conduct during the year, so we are servicing people from all areas of the country in the programs that we carry out overseas.

Mr. WYNEGAR. If I may add as well, there is a trend in the country in terms of growth in the market. Inbound tourism is growing much faster than is domestic tourism or out-bound travel.

GROWTH OF INTERNATIONAL TOURISM

Mr. SMITH. That has a lot to do with the exchange rates, doesn't it?

Mr. WYNEGAR. It does to some degree, but the effect of this long-term trend in growth is important. Currently, about 16 percent of the money spent in this country on travel comes from international guests. By the end of the century, toward the first part of the next century, we think about 1-in-4 dollars is going to be coming from foreign travelers.

The growth market is in inbound travel. Medium and smaller sized businesses are seeking entry into that very lucrative market. They are coming to us for support in doing so. That is one of the key roles we play. It is not just promoting the country nationally, but serving as a catalyst and a facilitator for those people.

Mr. SMITH. To what extent is this program responsible for more and more people coming into the United States?

Mr. WYNEGAR. How is it responsible, sir?

Mr. SMITH. To what extent is it?

PRESIDENTIAL VIDEO ADVERTISING CAMPAIGN IN THE UK

Mr. WYNEGAR. Well, we have some promotions that we did, for example, where we utilized the Presidential video. We have research that shows that undoubtedly there was an increase in interest in actual travel of the United States as a result of that campaign. We have surveys of our consumer information services showing a 31-to-1 return on investment.

Mr. SMITH. How much did that campaign cost?

Mr. WYNEGAR. That campaign costs the USTTA only around $100,000, $150,000 max.

Mr. SMITH. Well, if it only costs $150,000——

Mr. WYNEGAR. The industry put in about $2.5 million.

Mr. SMITH. What industry?

Mr. WYNEGAR. The U.S. travel industry, the coalition that jointly funded this.

Mr. SMITH. Who is in that?

Mr. WYNEGAR. Primarily hotel chains were involved in that particular effort.

Mr. SMITH. They all come by airplane—they don't come by passenger ship anymore. If it costs $100,000, it was surely worth that much or more to the airlines.

Mr. WYNEGAR. Absolutely.

Mr. SMITH. And the hotels participate so as to get the tourists into their own hotels rather than other hotels. That is where hotels justify it. They are trying to cut off some for themselves. It still leaves the question about why the United States Government and the taxpayers are putting up $100,000.

Mr. WYNEGAR. The money that we spent was totally in the area of fulfillment. The information brochures that were given to the perspective traveler who called in response to the TV advertising. That was our role in that.

[CLERK'S NOTE.—Subsequent to the hearing, the following information was provided.]

CLARIFICATION OF PROMOTIONAL CAMPAIGN IN THE UNITED KINGDOM

Chairman Smith, in discussing the appropriateness of Federal/USTTA involvement in the GO*USA Travel Industry Coalition promotional campaign aired in the United Kingdom in the spring of 1992, questioned the expenditure of Federal funds for the program. Deputy Assistant Secretary Don Wynegar indicated that the Agency had allocated slightly over $100,000 toward fulfillment costs associated with the $2.6 million campaign. Objective, reliable research studies conducted immediately before and after the TV campaign proved a significant impact in the British viewing market in terms of generating increased interest and intentions to visit America (+37%). Even using ultra-conservative estimates of the economic impact which this campaign generated—assuming only 10% of the "converted travelers" actually did visit-the campaign was seen to have increased British travel to the United States by some 23,000 arrivals. Spending by these new visitors was an estimated $48 million. This spending supported nearly 1,000 new U.S. jobs and generated some $6 million in new tax revenues, of which $3 million went to Federal tax coffers.

USTTA's involvement in this singular campaign was critical to its success, extending from the development of the Presidential video which resulted in industry underwriting of the campaign to the provision of USA travel literature provided to potential travelers responding to the TV advertising. For USTTA's $100,000 investment, the Federal Government received in return approximately $3 million—a 34-to-1 return on investment.

SOURCE OF BROCHURES

Mr. **Smith.** Where did you get those materials and brochures?

Mr. **Wynegar.** It was a quantity as part of an overall regular printing of brochures that we do. We were able to reallocate it to this opportunity.

Mr. **Wells.** In a lot of these projects, too, when we interact and deal with the private sector, they are looking for us to bring financial contribution to the table too. They are not just looking for the government to, as a freeloader come in and say look, you guys spend your money. They are looking for us to participate financially, to know our commitment is there.

Mr. **Smith.** I am sure they would.

Mr. **Wells.** Of course, that is what our purpose is.

Mr. **Smith.** The question is: would they go ahead and do it on their own if you weren't there?

Mr. **Wynegar.** In this particular case, sir, they would not have done it at all. We also played a very critical role in getting the Presidential video done to begin with. We were instrumental in convincing the President to appear in this TV spot, basically. Without our participation, that would have never happened; there would have never been a campaign.

IDEAL SIZE OF USTTA BUDGET

Mr. **Smith.** Well, after all these years, it still leaves questions about whether this program is worth the money. If $20 million is a good investment, why isn't $50 million a lot better investment?

Mr. **Wells.** We would sure like to see that.

Mr. **Smith.** Or if it is only $15 million out of $100 million that is needed, is it worthwhile at all? These questions are still around. Then you throw into the mix this additional problem of the authorizers saying well, we are going to say that a certain percentage of funds has to go for one certain purpose. All that does is to encourage us to cut the thing back to $12 million or something else. That is what it does.

Because if you are going to put minimums in, then that is going to cause reductions in what we are doing anyway. Well, if we are going to have reductions, we might as well just reduce the whole thing. These are questions that we will never have answers to.

You are authorized for what period of time?

Mr. **Wells.** Through 1996.

USTTA INVOLVEMENT IN AIRLINE ADVERTISING

Mr. **Smith.** Of course, as foreign airlines do now, the U.S.-based airlines do advertising and promotion of travel to the U.S., too; it sells seats. To what extent are you involved in their advertising, if at all? Do they have a totally separate program or not?

Mr. Wynegar. We are not involved in any particular airlines advertising campaigns at all. They are often involved in ours. If we put a cooperative advertising supplement in a particular newspaper or magazine in a target market, they may often participate with an advertisement of their own in that supplement.

Mr. Smith. I see.

Mr. Wynegar. They also are very integral to our efforts to bring to this country writers and journalists, wholesalers, building new tourism products and acquainting them with new areas of the country. They will often provide free transportation for those writers and wholesalers, so they provide in-kind support.

Mr. Wells. Any programs that we operate, we aim the theme to be promotion of the United States itself and not to advertise the amenities of particular carriers' attributes or their good points and so forth. We are strictly destination oriented in the programs that we organize.

Mr. Smith. How do they participate in that?

Mr. Wells. They join together with us, and then we create an overall theme, destination to the United States. Then they participate by buying a page in the supplement and then putting in an advertisement about themselves and then weaving a package that would have perhaps half of the content, editorial content on the U.S. and the other half paid advertising of the various partners, airlines, hotels and so forth.

Mr. Smith. Then did you say you provide seats?

Mr. Wynegar. Oftentimes they will provide seats to carry journalists or wholesalers that we are bringing as part of a cooperative program with a destination, for example, to acquaint those writers or wholesalers with the tourism product in the United States, so that they can go back and write articles about that destination or build new tour packages to offer to the marketplace.

DISASTER RELIEF FINANCIAL ASSISTANCE

Mr. Smith. Now, with regard to the disaster assistance, tell us about how that was used.

Mr. Wells. Well, the Disaster Relief Program has been in effect for three years. The first year there was an appropriation of $5 million; that was in fiscal year 1991. Then in fiscal year 1992, an additional $2 million was added; and in fiscal year 1993, $3.6 million was approved.

The first two years, the $7 million, the program was broad in that it covered the United States in its entirety, and it said that basically, any areas which were affected by disasters, whose international tourism suffered were eligible to apply for and obtain an award, a grant, to be used to rebuild or build back up that particular tourism.

We have awarded a total of 15 grants under the first part of the program, the $7 million program, that total about $6.5 million, and the other $500,000 was to administer the program over the three years. The $3.6 million grant was very specifically appropriated to cover the disasters occasioned by Hurricane Andrew that affected Florida and Louisiana, Hurricane Iniki that hit Hawaii, and Typhoon Omar that affected Guam.

And we have just completed approval of five grants to each of those-to those four areas for approximately $3.4 million. They have been approved internally and offers have been made to the grant applicants.

Mr. SMITH. Now, first, with regard to the $7 million, tell us what kinds of grants were made.

Mr. WELLS. Okay. I have a list here of them. We had in fiscal 1991, six grants going to South Carolina, the U.S. Virgin Islands, Alaska, Charleston and California.

Mr. SMITH. What did they do?

Mr. WELLS. Well, they were—I would have to provide the real details for the record, but basically they are programs that are aimed at a particular market where it is perceived that there is a problem with visiting.

For example, in San Francisco where the earthquake hit, there was the concern that people were afraid to come because the hotels might be damaged and so forth. For the most part, they run publicity campaigns in the marketplace to assure them that the effects of the incident have been corrected and they are ready again to receive visitors.

[The information follows:]

List of Grants
Appropriations: Salaries and Expenses

Recipient	Description of Projects	FY 1991	FY 1992
South Carolina Department of Parks, Recreation and Tourism (Columbia, South Carolina)	Media information, cooperative advertising, trade development, market development and the production of consumer and trade literature	$797,850	
Myrtle Beach Golf Holiday (Myrtle Beach, South Carolina)	Familiarization tours and development of foreign language promotional materials	215,000	
U.S. Virgin Islands Department of Economic Development (Virgin Islands)	Product development, tourism trade relations and advertising	800,000	
Alaska Division of Tourism (Juneau, Alaska)	Media product information, market development, cooperative advertising, trade development, and consumer and trade literature	800,000	
Charleston Trident Convention & Visitors Bureau (Charleston, South Carolina)	Travel mission, trade advertising, familiarization tours, trade shows, development of foreign language brochures, international group tour guides, and a video	100,000	
California Tourism Corporation (Hermosa Beach, California)	Trade, consumer and media activities	800,000	
State of Rhode Island Department of Economic Development (Providence, Rhode Island)	Media product information, trade development, market development and consumer and trade literature		500,000

Recipient	Description of Projects	FY 1991	FY 1992
City of Santa Cruz (Santa Cruz, California)	Trade missions, trade shows, familiarization trips, cooperative advertising and consumer oriented collateral materials		50,000
San Francisco Convention & Visitors Bureau (San Francisco, California)	Cooperative advertising, media promotion, market development, and trade development		387,850
Coastal South Carolina (Charleston, South Carolina)	Media product information, cooperative advertising, consumer and trade literature, trade development and market development		500,000
Southwest Alaska Municipal Conference (Anchorage, Alaska)	Travel trade shows, trade media placements and product familiarization programs		324,960
California Ski Industry Association (San Francisco, California)	Trade shows, familiarization trips for both the trade and the press, and sales missions to the target markets		442,400
Idaho Division of Tourism Development (Boise, Idaho)	Working with the media, educational tours, cooperative advertising, trade shows, ski shows, trade missions, and consumer and travel literature development		181,500
Los Angeles Convention & Visitors Bureau (Los Angeles, California)	Media product information and trade development		540,950
Kauai Economic Development Board Lihue, Hawaii)	Market development including familiarization trips, participation in trade shows, tour package development, cooperative advertising, and consumer and trade literature		59,000
TOTAL:		3,512,850	2,986,660

PURPOSE OF THE GRANTS

Mr. **Smith**. So with these grants, was this true of the whole $7 million? They are trying to reassure people that things are as near to normal as you can expect as compared to before the disaster?

Mr. **Wynegar**. Actually, it goes beyond that. There are actual promotional campaigns, development of promotional literature, media promotions, familiarization films to bring writers and wholesalers into the area again.

FY1993 DISASTER SUPPLEMENTAL FOR TOURISM

Mr. **Smith**. So it is more than trying to restore it to the original position?

Mr. **Wynegar**. Well, bring them back to at least where they were before, to bring back the demand that was lost.

Mr. **Smith**. How about the $3.6 million. Is that the same thing or something different?

Mr. **Wells**. Well, it was specifically aimed at the areas that were devastated in Louisiana, Florida, Hawaii and Guam.

Mr. **Smith**. Same type of grant?

Mr. **Wells**. Yes, same type of grant. Noncontributory.

Mr. **Smith**. How would they do that? I mean, give us an example of that. Do they advertise in other areas?

Mr. **Wells**. I do have, on the ones that we have just approved, for example, the program for Guam, there are programs that are targeted for Japan, Korea and Taiwan.

Mr. **Smith**. Advertising programs?

Mr. **Wells**. Market development and cooperative advertising, yes, sir. Those are the programs in that case.

Mr. **Wynegar**. The market development entails things like educating travel agents about the destination, giving them training seminars.

Mr. **Smith**. Educating what?

Mr. **Wynegar**. Educating travel agents in those markets about the destination, so that they can better sell it. That is part of the market development effort.

Mr. **Wells**. Another example will be in the case of Florida, where the Greater Miami Convention and Visitors Bureau has gotten an award of $800,000 and programs there will include media information that was published, market development, trade development, cooperative advertising, and these will take place in the target markets of Argentina, Canada, Germany, Italy, Mexico, Spain and Sweden, so a fairly broad-reaching program. So those are the kinds of things.

Again, the primary purpose is to rebuild——

Mr. **Smith**. How about advertising, has it gone up?

Mr. **Wells**. Substantially, in large measure, yes, sir.

Mr. **Wynegar**. Some advertising will be directed at the travel trade as well as consumers.

Mr. SMITH. What is the difference?

Mr. WYNEGAR. Well, the travel trade is who sells the product in the marketplace. It is the travel agencies and tour operators.

Mr. SMITH. That is all today. Thank you.

Mr. WELLS. Thank you, Mr. Chairman.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Fees for USTTA Services

QUESTION:

How much has been collected to date in FY 1993, and what is your estimate for the total amount to be collected through the remainder of the fiscal year?

ANSWER:

No additional funds have been raised in FY 1993. However, a number of options are being considered including raising fees on existing reimbursable projects to a level substantially greater than the cost of the project or event and exploring the possibility of currency exchange facilities for foreign travelers. In FY 1992, approximately $2.2 million was collected through reimbursable projects.

A primary obstacle to the collection of additional fees is that USTTA does not have the legal authority to charge fees in excess of actual costs and thereby retain profits. However we are in the process of drafting legislation which would provide that authority.

QUESTION:

Are you proposing to continue to collect these fees in FY 1994? Is the $3,000,000 a reasonable estimate of revenue to be generated by these fees? If not, what would be a more accurate estimate of the revenue to be generated under this program?

ANSWER:

The FY 1994 request does include a provision to collect $3,000,000 in additional fees. USTTA anticipates obtaining the legislative authority to retain profits and begin collections with the intent of generating an additional $3,000,000 in FY 1994.

Tourism Policy and Export Promotion Act of 1992

QUESTION:

Congress enacted a revised authorization for USTTA at the end of the last session. What are the principal changes to USTTA mandated by this legislation, and how are they reflected in your budget request?

ANSWER:

Highlights of the Act include:

- A report to Congress on USTTA offices abroad by September 30, 1993.
- A report to Congress on acts, policies or practices that constitute barriers to travel by January 1994.
- A report to Congress on actions regarding inbound and outbound tourism in emerging democracies of Eastern Europe and the former Soviet Union by March 31, 1994.
- A report on activities of Commerce and other Federal Agencies to increase tourism opportunities for, and encourage travel by disabled persons by March 31, 1994.
- A requirement to establish a financial assistance program for regions, states, cities, and non-profit organizations and provide at least 25% of FY 1994-1996 annual appropriations to fund cooperative tourism marketing programs for regional organizations and develop a national campaign comprised of 50% of the financial assistance awards.
- An investigation to make quality improvements for research reports including increasing reporting frequency to the extent existing resources permit.
- Appointment by the Secretary of Commerce of a Deputy Under Secretary of Commerce for Tourism Trade Development from the career ranks.
- Establishment of a Rural Tourism Development Foundation

The FY 1994 budget request includes an increase of $2.5 million to provide funding for the financial assistance program.

QUESTION:

Section 11 of your authorization requires you to submit rather detailed reports to the authorizing committees on USTTA's goals and performance. Other sections required you to make reports to the authorizing committees on your activities and on USTTA Foreign offices.

a. Could you tell us why these reports have been mandated?

b. What amounts are included in this request for complying with these various reports?

ANSWER:

The purpose of these reports is to provide an assessment of USTTA's ongoing operations and make recommendations that will result in possible cost savings and/or operational improvements. Moreover, the reports will provide Congress with the opportunity to observe how the agency is responding to a number of new initiatives spelled out in the Act. No additional funds are being requested in the FY 1994 budget to provide these reports.

QUESTION:

The legislation also places limitations on certain administrative expenses. How will these limitations impact your ongoing programs?

ANSWER:

Although the legislation places limitations on personnel compensation, rents, communications, miscellaneous expenses, and equipment, USTTA does not currently anticipate any difficulties in complying with the ceilings. However, since the limitations are based on a percentage of the overall budget, and the categories are primarily related to fixed costs, reductions to USTTA's requested budget could present problems in this area.

Cooperative Tourism Marketing Programs

QUESTION:

You are requesting a program increase of $2,500,000 for grants to support the Cooperative Tourism Marketing Programs of states, local governments and non-profit organizations. Can you explain how this program will be implemented?

ANSWER:

The program will be implemented in accordance with guidelines which have been published in draft form in the Federal Register and are currently being finalized for publication. The guidelines set very precise criteria for application and competitive judging procedures, and explain the numerical scoring system to be employed by each of four judges functioning independently in their review of the applications. A numeric rank order will ensure that USTTA awards monies to those applicants who have achieved a satisfactory score. Applications receiving scores of 80 or above will be considered for funding.

A second component of the program is the development and implementation of a generic marketing program for the United States, in each of the international markets selected by the Secretary as appropriate for international promotion, to be funded with one-half of the Federal funds awarded. This generic program to be administered by USTTA will be developed and directed by a committee comprised of award recipients.

QUESTION:

Your authorizing legislation requires that not less than 25 percent of your total appropriated level be devoted to this program.

a. You are requesting only half of the amount required under the authorizing legislation for this program. Can you tell us what the impact of this request will be?

b. We have heard that there may be a budget amendment proposed for this program in order to comply with the authorization language. Can you tell us more about the status of this proposal?

ANSWER:

It is our intent to fully fund that 50 percent portion of the program that is awarded directly to the eligible recipients. The portion dedicated to a generic USA promotion would remain unfunded.

We are in communication with the Office of Management and Budget regarding a possible increase in the total funding request level and expect resolution of the issue in the near future.

QUESTION:

Were you aware of the rather rigid requirements and limitations being imposed by the act prior to submitting your budget request to OMB?

ANSWER:

No. Our budget was submitted to OMB before this legislation was passed.

QUESTION:

There is an increase of 2 FTE associated with this request. How much of the $2.5 million is associated with salary and benefit costs?

ANSWER:

None of the $2.5 million is associated with salary and benefit costs. We have included these costs as part of a reduction to base that we would need to make to accommodate this staff. The estimated cost for the 2 FTE is $104,000.

Rural Tourism Development Foundation

QUESTION:

You refer in your statement to the establishment of a Rural Tourism Development Foundation. Could you tell the Committee more about the Foundation and its mission?

ANSWER:

The Rural Tourism Development Foundation was established as part of the Tourism Policy and Export Promotion Act of 1992 (Public Law 102-372) in September of 1992 to assist in an effort to diversify rural economies through tourism. As noted in the statement of Congressional findings, increased efforts directed at promoting rural tourism will contribute to the economic development of America's rural areas and enhance the conservation and promotion of natural, scenic, historic, scientific, education, inspirational, and recreational resources for future generations of Americans and foreign visitors.

Although guidelines for some of the initial activities the Foundation is expected to pursue are outlined in Section 4 of the Tourism Policy and Export Promotion Act, in Section 8 of a Report of the Senate Committee on Commerce, Science, and Transportation, the Committee anticipates that, "the Foundation's potential activities will be restricted only by its resources and the imagination of its Board of Directors."

QUESTION:

What role will the Department of Commerce, and USTTA in particular, have in establishing and supporting this Foundation?

a. Are any funds included in this budget request for the Foundation? Have funds been, or will they be, made available for this purpose in FY 1993?

b. What impact will this foundation have on your travel budget request?

ANSWER:

Under Section 4 of the Tourism Policy and Export Promotion Act of 1992, the Under Secretary of Commerce for Travel and Tourism was responsible for, and did in fact, appoint the initial nine voting members of the Board. The Under Secretary will also have the principle policy relationship with the Rural Tourism Development Foundation, including serving as ex-officio member of the Board of Directors.

Nothing in the 1992 Act specifically provides for Federal funding of the Foundation's rural tourism development programs. Nor are any funds included in the FY 1994 budget request for this purpose. Moreover, funds will not be made available for this purpose in FY 1993.

It is expected that most of the Foundation's financial support for national tourism marketing to promote rural areas will come from a variety of donations. Small businesses should be encouraged to provide travel and tour services in areas where Federal scenic and recreational lands are located. Individuals, larger companies, and various levels of government that would benefit from the growth of tourism in their region should especially be encouraged to donate services or other resources.

QUESTION:

Is promoting rural tourism considered a priority for the agency?

a. What is USTTA doing in its base program to promote rural tourism?

b. Please provide specific details for the record on the types of activities being carried out under this initiative.

ANSWER:

Rural tourism development is a definite priority for USTTA. USTTA provides educational outreach programs such as national Rural Tourism Development Conferences (April 1992, Kansas City, MO; April 1993, Rapid City, SD), i.e., "train the trainers," regional workshops and seminars to foster tourism development as an economic tool for rural Americans.

USTTA has had developed a new rural tourism resource book entitled Tourism Development: A Guideline for Rural Communities, for use at its 1993 national Rural Tourism Conference, as well as for distribution to rural communities and other entities interested in developing their tourism potential.

Additionally, USTTA plans to design and implement a multi-cultural/ethnic tourism conference in early 1994 which would have definite benefits for rural areas.

Organizational Changes

QUESTION:

What impact (if any) does your new authorization have on the existing organizational structure of the U.S. Travel and Tourism Administration?

ANSWER:

There will be organizational changes brought on by the new authorization. We are awaiting appointment and confirmation of a new Under Secretary prior to finalizing any such changes. We anticipate that the changes to be made will not require the addition of new personnel or increased funds.

QUESTION:

Does this budget request propose any changes to USTTA's organizational structure?

ANSWER:

No organizational changes are included in this budget request.

U.S. Travel Data Center

QUESTION:

The U.S. Travel Data Center, affiliated with the Travel Industry Association of America, performs research on the travel industry of America. How does the research conducted by this private, non-profit group differ from the research and evaluation programs conducted by USTTA?

ANSWER:

The US Travel Data Center only conducts domestic travel research in the United States. USTTA only conducts international travel research. This is no overlap or duplication of efforts. The USTDC does no evaluation research.

As complementary organizations, USTTA's Office of Research works very closely with the Data Center. Any data released by the Data Center/TIA on the international market has been produced by USTTA. They rely on USTTA for international data for the following publications: "Impact of Travel on State Economies," The Economic Review of Travel in America," "Tourism's Top Twenty," "Travel Outlook Forum Proceedings," "Travel Review Conference Proceedings" and the Travel Industry of America (TIA) "Tourism Works for America" publication.

The Data Center and TIA sell these publications and benefit from the USTTA data.

QUESTION:

Why is it necessary for the taxpayers to fund research that could be conducted by the industry benefitting from the data?

ANSWER:

USTTA collects this data because it is part of the mandate that was updated in the Tourism Policy and Export Promotion Act of 1992. Specific sections include: 22 U.S.C. 2121 (b)(1) "optimize the contribution of the tourism and recreations industries to economic prosperity, full employment, and the international balance of payments of the United States."

To comply with this mandate, USTTA started its In-Flight Survey. This research program is the only source for travel receipts and payments for this country. From this research, USTTA works with the US Travel Data Center whereby the information collected in the In-Flight Survey is used to estimate the national and state expenditures, employment, payroll, taxes, and jobs generated by international travel to the U.S. The USTDC does not have any other source for this data.

The Bureau of Economic Analysis uses the In-Flight Survey data as the only source of travel and passenger fare export and import figures to report the international balance of pavements. Estimates are generated quarterly, and in the new authorizing legislation, USTTA has been asked to "Improve the quarterly statistical report on U.S. international travel receipts and payments published in the BEA document known as "The Survey of Current Business" and heighten its visibility."

In addition in 22 U.S. C 2121 (b)(15) of the new act, USTTA shall "assist in the collection, analysis, and dissemination of data which accurately measures the economic and social impact of tourism to and within the United States, in order to facilitate planning in the public and private sectors."

The USTTA In-Flight Survey is the only source of data for public and private sector firms interested in facilitating international travel to the United States.

In 22 U.S.C. 2123 (a)(10) USTTA is required to "develop and administer a comprehensive program relating to travel industry information, data service, training and education, and technical assistance;"

The data collected from the USTTA In-Flight Survey is used for training seminars and conferences. USTTA is not the only agency using this data for conferences and seminars. The States, cities, airport authorities, airlines, etc. all use this data. Universities use our research. In addition, numerous articles about the international market have been written using USTTA information. Consultants also use our research to provide technical assistance to their clients.

Likewise, the following other sections in the new authorizing legislation also have implications for the USTTA In-Flight Survey. They are: Section 5. POLICY CLARIFICATIONS. Under item number five, "promote increased and more effective investment in international tourism by the States, local governments, and cooperative tourism marketing programs." Section 6. DUTIES OF THE SECRETARY OF COMMERCE. Under item number eight: "Advise and provide information and technical assistance to U.S. firms seeking to facilitate travel to and from the emerging democracies of Eastern Europe and the former Soviet Union and compile statistics, as available, regarding such travel". Section 8. TOURISM MARKETING PROGRAMS. "target foreign visitors to develop or enhance their interest." Another unique function of the In-Flight Survey is that is can be used to identify the other states visited by international travelers so "regional strategies for international tourism promotion and marketing" can be developed.

Finally, Section 10. ACTION TO FACILITATE ENTRY OF FOREIGN TOURISTS. "Sec.205. The Secretary shall, in coordination with appropriate Federal agencies, take appropriate action to ensure that foreign tourists are not unnecessarily delayed when entering the United States and to ensure that the international standard of the International Civil Aviation Organization is meet".

USTTA added a question to the 1993 survey of international air travelers questionnaire. This questions asks non-residents "How long did it take you to clear Passport Control and Customs when entering the United States?" This survey is being distributed monthly, and in August of 1993, USTTA will have the first quarter results from the 1993 survey. USTTA hopes to work with INS and Customs to improve their handling of the international traveler. The survey results will be used to identify successes and problems.

FAAS Costs/Overseas Wage and Price Increases

QUESTION:

You are requesting a restoration of the amounts required to reimburse the State Department for overseas administrative costs. Is the $1,140,000 requested sufficient to cover your expected costs for FY 1994? If not, what is a more accurate estimate of your FAAS billing for FY 1994?

ANSWER:

The budget request includes a transfer of $1,140,000 from the Department of State to USTTA for FAAS charges in FY 1994. In addition the request includes an adjustment to base increase of $73,000 for these charges. The total amount included is $1,213,000 for FAAS charges in FY 1994. While we do not yet have the estimate we feel this level should be adequate to provide for these costs.

QUESTION:

What was your total billing for FY 1992, and what do you expect your total costs to be for FY 1993?

ANSWER:

FY 1992 final charges for FAAS were $861,000. The Department of State has provided USTTA with an FY 1993 estimate of $1,115,849.

QUESTION:

You are requesting several increases-to-base associated with overseas wage and price increases. Could you explain what these increases are, and why they are required in FY 1994? What would be the impact of not receiving these funds?

ANSWER:

USTTA operates ten offices abroad that implement programs in several countries. The Department of State provides an analysis of the net effect of anticipated currency exchange and inflation rates for the budget year. USTTA applies the figures to current base expenditures for the respective countries to arrive at the cost required in the budget year to provide the same level of services as were provided in the current year.

The impact of not providing these funds would be the same as requiring USTTA to reduce base programs because the agency would not have resources to fund the increased cost of providing the same level of program and services.

Administrative and FTE Savings

QUESTION:

How will USTTA be impacted by the Executive Orders on administrative savings and FTE reductions? What will be the impact of these reductions on your ongoing programs?

ANSWER:

The FY 1994 budget request includes a reduction of $223,000 for administrative savings. USTTA will reduce areas such as travel, printing, and communications. Programs will not be directly reduced.

The Executive Order relating to FTE reductions exempts those organizations with less than 100 FTE. USTTA's FTE ceiling for FY 1993 is 94 and in FY 1994 the ceiling is 96, therefore no FTE reductions are required.

Disaster Relief Grants

QUESTION:

You are not requesting any funds for disaster relief grants for FY 1994. Was this program included in your recent reauthorization legislation?

ANSWER:

No. In fact, the authority under which the program had been administered in fiscal years 1992 and 1993, was eliminated in the authorization legislation, Public Law 102-372.

Cooperative Multilingual Receptionist Program

QUESTION:

One of your base programs is the receptive services/ facilitation activity (see page USTTA-26 of the justifications), which provided a cooperative multilingual receptionist program at 12 major airports. Which airports participate in this program? What is the total cost of the program, and how long has it been in existence?

ANSWER:

The following airports are participating in this program:

Atlanta, Bangor, Boston, Honolulu,
Kennedy, Los Angeles, Miami, New Orleans,
Chicago O'Hare, Philadelphia, Seattle/Tacoma,
and San Juan.

The total cost of the program to USTTA is $240,000 and it has been in existence since 1970.

QUESTION:

Your justifications mention that the Department of Education is also involved in this program -- what is their interest in this program?

ANSWER:

Our airport/convention & visitor bureau partners have the option to employ college work study students in this off campus program wherein the total salary of the students is shared by the college and USTTA funds or they can use our allocation for non work study receptionists. Work study funds made available to the colleges are provided by the Department of Education, hence their interest.

QUESTION:

Do INS, the Customs Service, and the Department of Agriculture contribute any funding to this program?

ANSWER:

No.

QUESTION:

Given that the mission of USTTA is marketing U.S. tourism in foreign markets and promoting the involvement of smaller firms in the foreign travel industry, why is USTTA even involved in this program? Is this mandated by your authorizing legislation?

ANSWER:

Its function is to facilitate entry through the Federal Inspection process and into the United States by providing visitor services to primarily non-English speaking visitors with prompt interpretations and translations when needed plus arrival directional assistance at our major airports of entry.

Though not specifically mandated the Cooperative Multilingual Receptionist Program operating in and adjacent to Federal Inspection agency areas helps eliminate delays at the U.S. border and airports of entry by providing receptive, linguistic and informational services. Moreover, the new authorizing legislation mandates the Secretary in coordination with appropriate Federal agencies to take action to ensure that foreign tourists are not unnecessarily delayed when entering the United States and that the 45 minute international processing standard of the International Civil Aviation Organization is met.

1040

WEDNESDAY, APRIL 28, 1993.

INTERNATIONAL TRADE ADMINISTRATION

WITNESSES

TIMOTHY J. HAUSER, ACTING UNDER SECRETARY

MITCHELL A. LUXENBERG, DIRECTOR, OFFICE OF FINANCIAL MANAGEMENT

MARK E. BROWN, DIRECTOR, OFFICE OF BUDGET

Mr. SMITH. Continuing with our review of the fiscal year 1994 budget request of the Department of Commerce, the first item we will consider this morning is the International Trade Administration. The request for fiscal year 1994 is $246,333,000, an increase of $32,482,000 above the amounts appropriated for fiscal year 1993. We will insert the justification material submitted in support of this request into the record at this point.

[The justification follows:]

DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
Budget Estimates, Fiscal Year 1994
President's Submission

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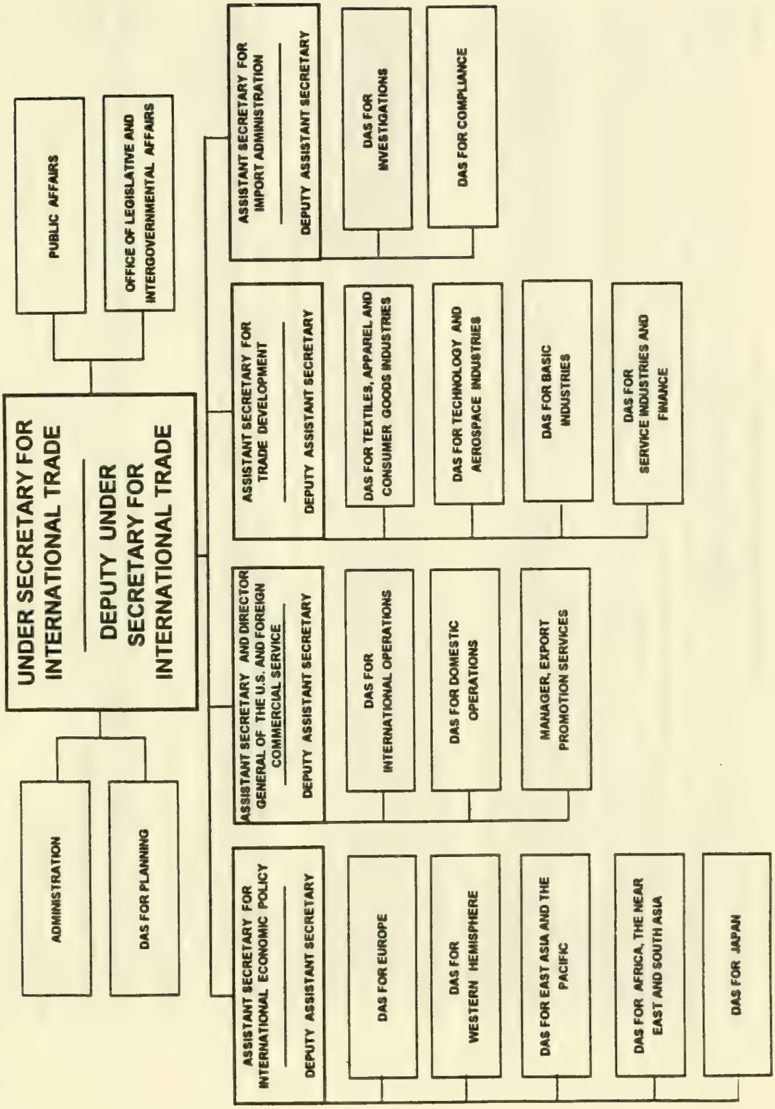

U.S. DEPARTMENT OF COMMERCE

International Trade Administration

UNDER SECRETARY FOR INTERNATIONAL TRADE
DEPUTY UNDER SECRETARY FOR INTERNATIONAL TRADE
PUBLIC AFFAIRS
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS
ADMINISTRATION
DAS FOR PLANNING
ASSISTANT SECRETARY FOR INTERNATIONAL ECONOMIC POLICY
DEPUTY ASSISTANT SECRETARY
DAS FOR EUROPE
DAS FOR WESTERN HEMISPHERE
DAS FOR EAST ASIA AND THE PACIFIC
DAS FOR AFRICA, THE NEAR EAST AND SOUTH ASIA
DAS FOR JAPAN
ASSISTANT SECRETARY AND DIRECTOR GENERAL OF THE U.S. AND FOREIGN COMMERCIAL SERVICE
DEPUTY ASSISTANT SECRETARY
DAS FOR INTERNATIONAL OPERATIONS
DAS FOR DOMESTIC OPERATIONS
MANAGER, EXPORT PROMOTION SERVICES
ASSISTANT SECRETARY FOR TRADE DEVELOPMENT
DEPUTY ASSISTANT SECRETARY
DAS FOR TEXTILES, APPAREL AND CONSUMER GOODS INDUSTRIES
DAS FOR TECHNOLOGY AND AEROSPACE INDUSTRIES
DAS FOR BASIC INDUSTRIES
DAS FOR SERVICE INDUSTRIES AND FINANCE
ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION
DEPUTY ASSISTANT SECRETARY
DAS FOR INVESTIGATIONS
DAS FOR COMPLIANCE

Exhibit 3

INTERNATIONAL TRADE ADMINISTRATION

GENERAL STATEMENT

The International Trade Administration's (ITA) primary mission--the development of the export potential of U.S. firms in a manner consistent with foreign and economic policy--has reached a level of importance which cannot be overstated. Expanding exports is one of the keys to maintaining an increasingly strong economy and reducing our international trade deficit. Accomplishing this mission under the existing dynamic world trade conditions requires a flexible, knowledgeable, and skillful workforce implementing a well-conceived operation plan. The programs contained in this budget request will allow ITA to continue the successful performance of this difficult mission.

ITA's FY 1994 budget request provides complementary programs and policies which will support the improvement of the international trade climate for American firms. In order to promote economic growth and job creation in this country, there must be high quality programs which assist American businesses to increase exports and allow them to operate under conditions of free and fair trade. This budget request provides necessary resources for ITA to continue, fine-tune and add programs needed by American firms, particularly those of small and medium-size. ITA will:

(1) Improve and Enhance Service Delivery

This budget request will augment and enhance overseas field support for U.S. exporters. The request will correct for the purchasing power lost over the past several years due to overseas operating costs having risen faster than the related budget adjustments. Authorized but currently unfunded positions will be filled in Latin America and Asia, improving ITA's ability to meet the U.S. business demand for services and support in these growing export markets.

(2) Support the President's Commitment to Aid the Transition to Market Democracy in the Newly Independent States (NIS)

ITA is uniquely positioned to encourage and assist U.S. firms to export to the NIS. ITA wishes to aggressively remove obstacles to U.S. trade and investment in the NIS, operate an information center focusing on business opportunities in the NIS, sponsor business internships, and establish business consortia which will operate support offices physically located in the NIS. Through these initiatives contributions will be made to the stabilization of market-driven economies in the NIS, thereby leading to improved chances for peace and prosperity in the U.S. and the former Soviet nations.

(3) Monitor and Regulate World Trade Practices

ITA will continue to strive to achieve the goal of free and fair trade and develop the so-called "level playing field" by continuing and strengthening aggressive actions against unfair trade practices of other countries. ITA's Import Administration will place increased emphasis on actions in cases involving dumping and subsidies.

GOALS OF THE PROGRAM

ITA's mission and this budget proposal directly support the Department of Commerce's goals of:

o Promoting Economic Growth and Jobs through:

  -- Exports, and

  -- Free and Fair Trade

These goals will be accomplished in the manner outlined below by ITA's four line organizations: Trade Development, International Economic Policy, Import Administration, and the United States and Foreign Commercial Service.

Exports

In support of export expansion objectives, ITA continues to: (1) formulate strategies to increase U.S. industry participation in trade development; (2) identify and analyze major factors having the greatest impact on U.S. trade prospects and recommend policies and programs to deal with them; (3) develop trade policy initiatives and participate in bilateral and multilateral negotiations to facilitate U.S. exports; and (4) implement trade promotion strategies in cooperation with other governmental agencies and the private sector which allow U.S. firms to achieve maximum success in global markets. Throughout the year, special emphasis will be placed on expanding Japan's markets for U.S. goods and services, and responding to changes in the Newly Independent States (NIS) of the former Soviet Union, Latin America, and the EC. Coordinated programs of trade promotion, analysis, and policy development will be continued during FY 1994 as well as vigorous pursuit of the elimination of impediments to U.S. export performance.

Free and Fair Trade

ITA has responsibilities to administer and enforce U.S. import laws fairly, within statutory time constraints, and in conformance with overall U.S. trade policy. ITA protects American industry from injurious and unfair trade practices by administering U.S. trade laws and agreements. Its scope of responsibility currently includes the Antidumping and Countervailing Duty (AD/CVD) laws of the United States, and the U.S.-Canada Free Trade Agreement. ITA is also responsible for implementing certain Statutory Import Programs and the Foreign Trade Zones Program.

MAJOR POLICY ISSUES

Trade Promotion Coordinating Committee

The Export Enhancement Act of 1992 specifies that the President establish the Trade Promotion Coordinating Committee (TPCC) in which the Secretary of Commerce shall serve as the chairperson. The TPCC is charged with coordinating the development of trade promotion policies and programs of U.S. government agencies, and presenting a unified trade promotion budget. We expect White House guidance on TPCC roles and responsibilities and expect that strategy and direction developed by the TPCC will have an influential role in future ITA activities.

Newly Independent States

The revolutionary changes in the former Soviet Union and its disintegration into 12 new independent states (NIS) have created new market opportunities of tremendous potential for U.S. companies. ITA programs and activities can play a pivotal role in helping U.S. firms secure large shares of NIS markets for exports and investment, especially in the face of aggressive competition from West European and Asian firms that are already receiving substantial support from their governments.

If U.S. companies are to share in this brand new export market, ITA support services in the NIS must be substantial. Building U.S. export-related jobs requires us to undertake innovative, proactive programs to: (1) remove obstacles to U.S. trade and investment in the NIS; (2) intervene aggressively on behalf of U.S. firms experiencing difficulties in NIS markets; (3) build commercial contacts through business development committees, industry sector working groups, and the Special American Business Internship Training Program; and (4) expand trade-building services, including business information, trade promotion, and market research, available in Washington and in U.S. & Foreign Commercial Service posts throughout the NIS.

North America Free Trade Agreement

The United States, Mexico and Canada have concluded a North American Free Trade Agreement (NAFTA) which will create the largest integrated market in the world in January 1994. The NAFTA links U.S. businesses with their first (Canada) and second largest manufactured goods export markets (Mexico surpassed Japan in 1992). Mexico is the fastest growing major market for U.S. exports with an economy projected to grow at 4% per year. In 1992 U.S. exports to Mexico were approximately $41 billion (nearly double the 1988 value of $20.6 billion) and generated a trade surplus of $5.4 billion. Under NAFTA, U.S. exports will continue to escalate due to the agreement's unprecedented scope -- it covers not only tariff and non-tariff barriers, but also the opening of markets and procurement opportunities for U.S. suppliers. Supplemental agreements on labor, the environment and import surges will make NAFTA a path breaking trade package, ensuring that the rights of workers and environmental standards are protected in all three countries.

As NAFTA is implemented and trade with Mexico and Canada expands, disputes are bound to arise. The experiences of American exporters under NAFTA will be actively monitored by Commerce throughout NAFTA's implementation, but most vigorously in the early years, to ensure that the terms of the agreement are complied with and that disputes are handled expeditiously and professionally. It is critical that the Secretariat currently in place under the US-Canada Free Trade Agreement have the ability to ensure successful dispute settlement under NAFTA.

MAJOR EXTERNAL CONDITIONS AND TRENDS

Conditions:

Despite sluggish growth in major export markets abroad, U.S. exports continue to grow at a healthy pace, increasing 6.3 percent in 1992. Exports posted a new record last year and the United States remained the world's largest exporter. Working in favor of further U.S. export growth through the budget planning period will be the continuing favorable exchange rate for the U.S. dollar and improved U.S competitiveness. The latter reflects higher U.S. manufacturing productivity, controlled growth in unit labor costs, and a lower value of the dollar. In addition, the expected continuing strong growth in less developed countries--particularly in Latin America--bodes well for further U.S. export growth. In fact, three-fourths of the growth in U.S exports during 1992 was due to higher exports to developing countries. However, prospects for continuing slow growth in the major industrialized countries will curb export growth potential.

Trends:

Recent events in Latin America, Eastern Europe, and the newly independent states (NIS) of the former Soviet Union hold considerable promise. Both developing and developed countries have privatized many state enterprises and deregulated some private activity. Developed countries have cut income tax rates to increase private incentive. Less developed countries (LDCs) now generally regard a market system as the best engine for economic development. Nonetheless, pressures for protection against imports, barriers to direct foreign investment, and nationalistic trade and industrial policies already are strong in many foreign countries.

Export expansion objectives must be pursued in light of these anticipated international economic trends and domestic political pressures. It is likely that the more significant trade issues facing the U.S. today will persist through the balance of the decade. U.S. trade development efforts must continue to take account of these factors.

ITA believes that the program mix contained in the 1994 request is responsive to the anticipated international economic environment.

SUMMARY OF PROPOSED BUDGET INCREASES

In order to improve the trade climate for American firms, certain targeted program increases must be added our ongoing program activities. These increases will improve ITA's ability to serve those firms competing in or attempting to compete in the dynamically changing trade world.

Three budget increases follow:

Overseas Purchasing Power - (US&FCS $10,475,000; 0 FTE)- This request will allow for the augmentation of overseas field support for U.S. exports which has eroded due to unbudgeted increases in overseas costs. When combined with a related Adjustment to Base, this increase will enable US&FCS to strengthen its overseas capability to satisfy a greater proportion of the demand for its services at a level adequate to meet the program objectives established by the Administration and Congress. The overall result will be better support of the Department's goal of increasing exports of U.S. goods and services.

Building American Market Share in the Newly Independent States - (IEP $6,400,000; 0 FTE)- American businesses are faced with a major challenge in attempting to gain market share in the emerging economies of the 12 Newly Independent States (NIS). The International Economic Policy unit will provide policy guidance and coordination, continue and expand the successful Special American Business Internship Program (SABIT) program, support the activities of Bilateral Business Development Committees (BDCs) which will provide a forum to address business and market development issues, and develop and operate the Business Information Service for the Newly Independent States, a one-stop service center for business information on commercial opportunities and conditions in the NIS.

Consortia of American Businesses in the Newly Independent States (CABNIS) - (TD $1,749,000; 0 FTE)- The Trade Development unit will continue a Consortia of American Businesses in the Newly Independent States program modeled on the existing Consortia of American Businesses in Eastern Europe (CABEE) program. At least three CABNIS offices will be established in the NIS. The CABNIS consortia and their offices will be favorably positioned to support both public and private initiatives designed to increase U.S. exports and/or assist in the privatization movement.

SUMMARY OF PROPOSED BUDGET DECREASES

No budget decreases are proposed for FY 1994.

PERFORMANCE MEASURES

This request will allow ITA to perform many useful and important functions. One way to describe the scope of activities to be pursued is to examine various quantifiable performance measures. Listed below are samples of performance measures related to ongoing program activities, while additional details are available in the various base narratives and increase request packages:

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Trade Development			
Evaluative, analytical position papers & reports	2,000	2,000	2,000
Interagency or International sectoral meetings/negotiations	500	500	500
Trade promotion events recruited and supported	60	60	90
U.S. Industrial Outlook	1	1	1
International Economic Policy			
Briefing papers Management and Policy Coordination (M&PC)	905	773	730
Briefing papers Regional Economic Policy (R.E.P.)	3,695	3,911	3,347
Interagency meetings attended (total)	4,425	4,917	4,487
Business counseling sessions - Telephone calls (R.E.P.)	248,346	259,160	343,556
Business counseling sessions - Visitors (R.E.P.)	18,397	20,018	24,134
Import Administration			
Administrative Protective Orders	1,285	1,236	1,280
Completed administrative reviews of AD/CVD orders & agreement	210	156	136
FTZ monitoring and enforcement reviews	140	150	160

U.S. and Foreign Commercial Service	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Entries into new markets	2,785	2,925	3,100
Trade Facilitation Sessions	188,268	191,500	227,300
Trade leads from overseas promotion events	169,440	170,000	170,000
CIMS retrievals	79,750	79,750	89,650

Exhibit 5

Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF RESOURCE REQUIREMENTS
(Dollar amounts in thousands)

Page No.		Positions	Budget Authority	FTE	Direct Obligations
ITA-11	Amount available for FY1993 as shown in 1994 President's Budget	2,431	216,851	2,311	222,392
	less (or plus): Dec. 17, 1992 Proposed transfers not implemented (allowed by P.L. 102-395)	0	(3,000)	0	(3,000)
ITA-11	**Appropriation, 1993**	2,431	213,851	2,311	219,392
	less: Obligations from prior years	0	0	0	(5,541)
	plus: 1994 adjustments to base	0	13,858	47	13,858
	less: prior year recoveries	0	0	0	0
	1994 Base	2,431	227,709	2,358	227,709
	plus: 1994 program changes	0	18,624	0	18,624
	1994 Estimate	2,431	246,333	2,358	246,333

			1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease) over 1994 Base	
Comparison by activity:			Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
ITA-25	Trade Development	Pos./BA	525	52,170	461	54,707	461	49,762	461	51,511	0	1,749
		FTE/Obl.	419	51,109	456	55,208	456	49,762	456	51,511	0	1,749
ITA-39	International Economic Policy	Pos./BA	248	17,863	242	17,325	242	18,483	242	24,883	0	6,400
		FTE/Obl.	230	18,936	237	18,868	237	18,483	237	24,883	0	6,400
ITA-53	Import Administration	Pos./BA	352	24,959	337	28,423	337	29,341	337	29,341	0	0
		FTE/Obl.	276	23,152	326	30,683	332	29,341	332	29,341	0	0
ITA-63	U.S. and Foreign Commercial Service	Pos./BA	1,396	114,168	1,391	113,396	1,391	130,123	1,391	140,598	0	10,475
		FTE/Obl.	1,276	116,973	1,292	114,633	1,333	130,123	1,333	140,598	0	10,475
Direct Obligations		Pos./BA	2,521	209,160	2,431	213,851	2,431	227,709	2,431	246,333	0	18,624
		FTE/Obl.	2,201	210,170	2,311	219,392	2,358	227,709	2,358	246,333	0	18,624
Adjustments to Obligations												
Recoveries				(2,937)								
Unobligated balance, start of year				(3,614)		(5,541)						
Unobligated balance, transferred												
Unobligated balance, end of year				5,541								
Unobligated balance, expiring												
Financing from transfers:												
Transfer from other accounts												
Transfer to other accounts												
Appropriation				209,160		213,851		227,709		246,333		18,624

Exhibit 7

Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF FINANCING
(Dollar amounts in thousands)

	1992 Estimate	1993 President's Budget	1994 Base	1994 Estimate	Increase/ (Decrease)
	Amount	Amount	Amount	Amount	Amount
Total Obligations	228,656	255,492	251,909	270,533	18,624
Financing:					
Offsetting collections from:					
Federal funds	(5,182)	(10,493)	(7,744)	(7,744)	0
Trust funds	0	0	0	0	0
Non-Federal funds	(13,304)	(22,607)	(16,456)	(16,456)	0
Recoveries	(2,937)	0	0	0	0
Unobligated balance, start of year	(3,614)	(5,541)	0	0	0
Unobligated balance, transferred	0	0	0	0	0
Unobligated balance, end of year	5,541	0	0	0	0
Unobligated balance lapsing	0	0	0	0	0
Budget Authority	209,160	216,851	227,709	246,333	18,624
Financing:					
Tranferred to other accounts (P.L. 102-395)	0	3,000	0	0	0
Transferred from other accounts	0	0	0	0	0
Appropriation	**209,160**	**213,851**	**227,709**	**246,333**	**18,624**

Exhibit 8

Department of Commerce
International Trade Administration
Operations and Administration
ADJUSTMENTS TO BASE
(Dollar amounts in thousands)

	Positions	FTE	Amount
Adjustments	0	0	(5,999)
Other Changes:			
Personnel compensation and benefits:			
1993 Pay increase	0	0	929
Full-year cost of 1994 positions financed for part year in 1993	0	47	2,295
Within-grade step increases	0	0	1,034
Civil Service Retirement System (CSRS)	0	0	(222)
Federal Employees Retirement System (FERS)	0	0	414
Thrift Savings Plan	0	0	63
Federal Insurance Contribution Act (FICA):			
OASDI	0	0	219
Health Insurance	0	0	245
Employees Compensation Fund	0	0	122
Foreign Service Nationals Wage Increase	0	0	2,427
Travel and transportation of persons:			
Per diem	0	0	29
Rental payments to GSA	0	0	352
Communications, utilities, and miscellaneous charges	0	0	113
Printing and reproduction	0	0	97

	Positions	FTE	Amount
Other Services (WCF)	0	0	1,018
FAAS Restoration	0	0	7,969
Supplies and materials	0	0	76
Overseas price increases	0	0	2,677
Total Adjustments to Base	0	47	13,858

Exhibit 9

Department of Commerce
International Trade Administration
Operations and Administration
JUSTIFICATION OF ADJUSTMENTS TO BASE
(Dollars amounts in thousands)

		FTE	Amount
Adjustment (Non-recurring cost changes)		0	(5,999)
In FY 1993 ITA was appropriated $2,850,000 for the New Materials and $3,149,000 for the Tailored Clothing Technology Corporation. Since 1987 the Department has funded NMC at a total cost of $21.9 million. Since 1981 the Department has funded TC2 at a total cost of $31.3 million. Federal Government has serviced its start-up function.			
Pay Raises		0	929
Full-year cost of 1993 pay increase and related costs:			
A pay raise of 3.7% was effective January 1, 1993.			
Total cost in 1994 of 1993 pay increase	3,648,000		
Less amount funded in 1993	2,787,000		
Less amount absorbed	0		
Amount requested in 1994 to provide full-year cost of 1993 pay increase	861,000		
Payment to Working Capital Fund	68,000		
Total Adjustment for 1993 pay increase	929,000		
Full-year cost in 1994 of positions financed for part-year in 1993		47	2,295
An increase of $2,294,955 is required to fund the full-year cost in 1994 of positions financed for part-year in 1993.			

The computation follows:

	FTE	Amount
Annual salary of new positions in 1993	103	3,662,222
Less 5 percent lapse	-5	-183,111
Full-year cost of personnel compensation	98	3,479,111
Less personnel compensation in 1993	-51	-1,772,473
Full-year cost of personnel compensation 1994	47	1,706,638
Benefits	—	588,317
Total adjustment to base	47	2,294,955

	FTE	Amount
Within-grade step increases	0	1,034

An increase of $1,034,479 is required to cover the cost of within-grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 1994.

GS/GM	
Estimated number of within-grade step increases	983
Step increases not earned due to turnover (13.08% x 983)	129
Average step above step 1 per separation	3
Average cost of scheduled step increases	1,244
Gross cost of scheduled step increases (1,244 x 983)	1,222,852
Less savings due to separations ($1,244 x 129 x 3)	-481,428
Subtotal, personnel compensation	741,424
Benefits	101,774
Total, Adjustment-to-Base GS/GM	843,198

		FTE	Amount
Foreign Service			
Estimated number of within-grade step increases	94		
Step increases not earned due to turnover (2.20% x 94)	2		
Average step above step 1 per separation	3		
Average cost of scheduled step increases	1,843		
Gross cost of scheduled step increases (1,843 x 94)	173,242		
Less savings due to separations ($1,843 x 2 x 3)	-11,058		
Subtotal, personnel compensation	162,184		
Benefits	29,097		
Total, Adjustment-to-Base Foreign Service	191,281		
Total, Adjustment-to-Base within-grade step increase	1,034,479		
Civil Service Retirement System (CSRS)		0	(222)

The number of employees covered by the Civil Service Retirement System (CSRS) continues to drop as positions become vacant and are filled by employees who are covered by the Federal Employees

Retirement System (FERS). The estimated percentage of payroll for employees covered by CSRS will drop from 67.1% in 1993 to 63.2% in 1994 for regular and foreign service employees. Contribution rates will remain the same.

		FTE	Amount
Regular:			
1994 $66,200,000 x .632 x .07	2,929,573		
1993 $66,220,000 x .671 x .07	3,110,353		
Subtotal	- 180,781		
Foreign Service:			
1994 $13,986,000 x .632 x .075	662,936		
1993 $13,986,000 x .671 x .075	703,845		
Subtotal	- 40,909		
Total Adjustment to Base	-221,690		
Federal Employees Retirement System (FERS)		0	414

		FTE	Amount

The number of employees covered by FERS continues to rise as employees covered by CSRS leave and are replaced by employees covered by FERS. The estimated percentage of payroll for employees covered by FERS will rise from 32.9% in 1993 to 36.8% in 1994 for regular and foreign service employees. The contribution rate will remain at 12.9% in 1994 for regular employees. For Foreign service employees, the contribution rate will decrease from 25.19% to 24.10% in 1994.

Regular:	
1994 $66,220,000 x .368 x .129	3,143,596
1993 $66,220,000 x .329 x .129	2,810,443
Subtotal	333,153
Foreign Service:	
1994 $13,986,000 x .368 x .2410	1,240,390
1993 $13,986,000 x .329 x .2519	1,159,091
Subtotal	81,299
Total Adjustment to Base	414,452

		FTE	Amount
Thrift Savings Plan (TSP)		0	63

The cost of agency contributions to the Thrift Savings Plan will also rise as FERS participation increases. The contribution rate is expected to remain at 2%.

Regular and Foreign Service:	
1994 $80,206,000 x .368 x .02	590,316
1993 $80,206,000 x .329 x .02	527,755
Total Adjustment to Base	62,651

		FTE	Amount
Federal Insurance Contribution Act (FICA)		0	219

As the percentage of payroll covered by FERS rises, the cost of OASDI contributions will increase. In addition, the maximum salary subject to OASDI tax will rise from $53,700 in 1993 to $60,150 in 1994. The contribution rate will remain the same at 6.20%.

Regular:			
1994 $66,220,000 x .368 x .9465 x .062	1,430,044		
1993 $66,220,000 x .329 x .9279 x .062	1,253,366		
Subtotal	176,678		
Foreign Service:			
1994 $13,986,000 x .368 x .8480 x .062	270,601		
1993 $13,986,000 x .329 x .8159 x .062	232,765		
Subtotal	37,836		
Other than Permanent:			
1994 $3,967,000 x .9465 x .062	232,795		
1993 $3,967,000 x .9279 x .062	228,221		
Subtotal	4,574		
Total Adjustment to Base	219,088		
Health Insurance		0	245

Effective January 1992, this bureau's contribution to Federal employees' health insurance premiums increased by 8.3%. Applied against the 1993 estimate of $2,957,000, the additional amount required is $245,431.

	FTE	Amount
Employees' Compensation Fund	0	122
The Employees' Compensation Fund bill for the year ending June 30, 1992, is $122,080 higher than the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor pursuant to 5 U.S.C. 8147.		
Per diem increase	0	29
Effective March 1, 1992, the General Services Administration raised per diem rates. This increase results in a 5.18% increase to this bureau. This percentage was applied to the 1993 domestic per diem estimate of $553,752 to arrive at an increase of $28,684.		
Other Telephones	0	113
The Washington Interagency Telecommunication System (WITS) telephone conversion will be installed in the Department, converting the Centrex switch to GSA/WITS switch. The estimated increase in operating cost is $113,000 due to GSA imposed line charges in the Hoover Building.		
Rental Payments to GSA	0	352
GSA rates are projected to increase 3.0% in 1994. This percentage was applied to the 1993 estimate of $11,729,000 to arrive at an increase of $351,870.		
GPO Printing	0	97
GPO has provided an estimated rate increase of 3.7%. This percentage was applied to the 1993 domestic printing estimate of $2,612,000 to arrive at an increase of $96,644.		

	FTE	Amount
Working Capital Fund	0	1,018

An increase of $1,017,700 is required to fund cost increases in the Departmental Working Capital Fund to maintain the current level of operations.

	FTE	Amount
Supplies and materials	0	76

Based on the GNP deflator of 3.1% the cost of supplies and materials is expected to increase by $75,795 from the 1993 estimate of $2,445,000.

	FTE	Amount
Foreign Affairs Administrative Support (FAAS)	0	7,969

In 1993 the State Department was appropriated funds for all FAAS charges. In 1994 it is proposed to restore FAAS funding to ITA.

	FTE	Amount
Overseas Wage Increases FY 1993 Recalculation	0	697

The adjustment to base in the FY 1993 President's Budget for FSN salary increases of $837,338 has been recalculated using econometric forecasting methods with revised State Department information. The recalculated cost of FY 1993 FSN salary increases is $1,534,273. ITA requests an adjustment to base for FY 1994 of $696,935.

	FTE	Amount
Overseas Price Increases FY 1993 Recalculation	0	60

The adjustment to base in the FY 1993 President's Budget for overseas price increases of $694,356 has been recalculated using econometric forecasting methods with revised State Department information. The recalculated cost of FY 1993 overseas price increases is $754,485. ITA requests an adjustment to base for FY 1994 of $60,129.

	FTE	Amount
Overseas Wage Increases FY 1994	0	1,730

The FSN salary increase is for wage adjustment in 64 countries based on calculations utilizing econometric forecasting methodology. The FY 1993 fiscal plan amounts for each country are determined. Econometric forecasting is then utilized to determined two components by country: A) The percentage change in wages; and B) The forecasting of FY 93 and FY 94 exchange rates. This data is then converted into an anticipated percentage increase factor for wages. In cases where data is unavailable, historical information is utilized to obtain a percentage factor. Once percentage factors are chosen for each country, the total ($1,730,137) is utilized as the anticipated ATB.

Step 1: Fiscal Plan FSN wages are calculated including benefits.
Step 2: Econometric modeling determines:
    A: Percentage increase in wages.
    B: Forecast of FY 93 and FY 94 exchange rates.
Step 3: Econometric modeling utilizing the data above determines a percentage factor to forecast an adjustment to base for FY 1994.
Adjustment to Base overseas wage increase for 1994 1,730,137

	FTE	Amount
Overseas Price Increase FY 1994	0	2,617

The overseas price increase is based on anticipated overseas price increase in 1994 of the countries in which ITA conducts operations. The percentages used were obtained via the same methodology outlined for the Foreign Service Nationals Wage increases.

		FTE	Amount
Step 1: Fiscal Plan increases for Other Objects, FAAS, Temporary Living Allowances, and U.S. Allowances are calculated. Step 2: Econometric modeling determines: A: Percentage increase in prices. B: Forecast of FY 93 and FY 94 exchanges rates. Step 3: Econometric modeling utilizing the data determines a percentage factor to forecast an adjustment to base for FY 1994.			
Adjustment to Base overseas price increases for 1994	2,617,148		
Total		47	13,858

Exhibit 10

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: **International Trade**
Subactivity: **Trade Development**

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Line Item											
Management and Policy Coordination	Pos./BA	48	3,486	72	7,866	72	8,013	72	8,013	0	0
	FTE/Obl.	43	4,324	71	7,944	71	8,013	71	8,013	0	0
Sectoral Analysis	Pos./BA	367	41,581	331	41,383	331	36,175	331	37,924	0	1,749
	FTE/Obl.	305	40,778	328	41,743	328	36,175	328	37,924	0	1,749
Trade and Economic Analysis	Pos./BA	110	7,103	58	5,458	58	5,574	58	5,574	0	0
	FTE/Obl.	71	6,007	57	5,521	57	5,574	57	5,574	0	0
Total	**Pos./BA**	525	52,170	461	54,707	461	49,762	461	51,511	0	1,749
	FTE/Obl.	419	51,109	456	55,208	456	49,762	456	51,511	0	1,749

Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR
TRADE DEVELOPMENT

Goals and Objectives for FY 1994

Goals: The goals of this subactivity are to expand overseas market opportunities for U.S. goods and services and to increase U.S. exports.

Objectives: Trade Development (TD) will achieve these goals by: providing support to industry to increase U.S. exports of goods and services; providing information and analysis to help the removal of barriers to trade, services and investment; and providing accurate and timely information and services to U.S. businesses to help increase the number of small and medium-sized exporters. A strong exporting sector is essential to improving the U.S. trade position and is a significant source of economic growth and employment. Fundamental to a strong exporting sector are inter-related factors such as U.S. competitiveness, an open international economy, and aggressive marketing. In order to increase U.S. exports of goods and services we must encourage foreign demand for U.S. products, overcome barriers to market access for U.S.-produced goods and services, and promote export expansion efforts by U.S. business and industry. Through its varied trade policy, industry analysis, and promotional activities, and coordination with other ITA units, as well as close cooperation with U.S. industry, Trade Development:

o develops trade policies and initiatives to increase exports and reduce or remove barriers affecting the competitiveness of U.S. industries, and participates in negotiations to improve U.S. export opportunities on a multilateral or bilateral basis, including the GATT, and bilateral negotiations such as the U.S.-Mexico Free Trade Agreement;

o serves as a primary point of contact with U.S. industries in formulating trade policies and export assistance activities;

o identifies trade, finance and investment opportunities for the U.S. businesses and discerns factors which affect the fundamental health of the world economy and the competitiveness of U.S. goods and services in international markets, including domestic regulatory obstacles and foreign market access constraints;

o assists U.S. firms to take advantage of opportunities in the world economy through the counseling of U.S. businesses and initiating trade promotion strategies in cooperation with U.S. industries; and

o promotes U.S. industrial growth and competitiveness by providing information and analyses to U.S. industry.

TD's Management and Policy Coordination area provides analysis for ITA trade policy development through the President's Export Council and the Industry Advisory Committees for Trade Policy Matters. It provides executive management oversight over all of TD's activities. Additionally, it provides strategic focus, direction and operational support to sectoral export promotion efforts.

TD's newly reorganized Sectoral Analysis activity develops sectoral trade strategies; increases U.S. industry participation in U.S. trade development by identifying and evaluating priority foreign markets and key trade barriers; and develops trade policy initiatives in support of bilateral and multilateral negotiations which increase market opportunities for U.S. exports.

TD's Trade and Economic Analysis area provides data, analyses, and forecasts to support U.S. Government international trade policy development and implementation; and information and forecasts to support U.S. industry efforts to become more competitive in world markets.

Base Program

Management and Policy Coordination -- This area provides central management, through the authority of the Assistant Secretary, to ensure policy and program consistency across the various units of TD. It includes the Office of Planning, Coordination, and Resource Management (OPCRM) and the Office of Export Promotion Coordination (OEPC).

The activities carried out by OPCRM include identifying and evaluating major international trade issues; conducting studies to identify problems and opportunities facing U.S. exporters; managing assignments for the Assistant Secretary for TD including reports requested by other agencies; coordinating the overall formulation of TD policy aimed at furthering U.S. interests in international trade and investment; analyzing the effects on U.S. industrial competitiveness of a reduction of U.S. and foreign trade barriers and of the Generalized System of Preferences; developing negotiating options and strategies for action against injurious or unfair competition; developing TD legislative strategy; and operating the Market Development Cooperator Program through which TD underwrites innovative private sector market development ideas leading toward a productive pooling of Federal and non-federal market development resources and the creation of new and lasting ITA/private sector partnerships.

The Office of Export Promotion Coordination (OEPC) provides a strategic focus, direction and operational support to sectoral export promotion activities. Its leadership in these areas enables the individual sector groups to provide improved assistance to firms or sectors participating in export promotion activities. OEPC supports the President's Export Council (PEC), which reports to the President through the Secretary of Commerce, on issues in the field of export expansion. Members of the PEC include Executive Branch officials, Members of Congress, and representatives of business, agriculture and labor. This area also supports the Industry Consultations Program (managed jointly by Commerce and the USTR) mandated by the Trade Acts of 1974 and 1988 to advise on trade policy matters. There are 17 Industry Sector and three Functional Advisory Committees, a Committee of Chairmen, and the Industry Policy Advisory Committee. Support includes coordinating the substantive agenda and attending to the many details of managing operations. OEPC also manages TD's export promotion programs to foster increased sales of U.S. manufacturing and service industries abroad through direct marketing activities. This includes analysis of U.S. export potential in foreign countries and individual market sectors for U.S. goods and services, export market research, and similar export expansion program activities. OEPC also provides analytical support on a wide range of small business policy issues.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Industry Sector/Functional Advisory Committee Meetings	120	120	120
Industry Policy Advisory Committee Meetings	4	4	4
Committee of Chairmen Meetings	4	4	4
Market Development Cooperator Program Cooperative Agreements	0	4-5	4-5

Sectoral Analysis -- The sectoral analysis program, recently reorganized to streamline its functions, now operates four sector groups--Basic Industries; Service Industries and Finance; Technology and Aerospace Industries; and Textiles, Apparel and Consumer Goods Industries. Each sector group supports increased competitiveness of U.S. industries in world markets through research on, and analysis of, major trade issues; development of proposed remedial actions/policies; projection of industry trends and performance; liaison with the U.S. private sector; and development of export promotion programs that will increase foreign market access. Each sector's program activities are tailored to the specific needs of its industries, consequently, some sectors concentrate on increasing foreign market access or export promotion while others focus more on the level of import competition in the U.S.

The sector groups maintain a high level of expertise on the status and prospects of all U.S. industries. They monitor essential data, including production costs, prices, financial and labor conditions, technological changes, distribution, markets, trade patterns, and other factors in order to understand and support U.S. industries; perform research and analysis on key issues; support Presidential actions under U.S. trade law; and monitor trade trends, etc., in sensitive industries. This information is disseminated through publications as well as through the counseling of individual businessmen. This information also supports other programs operated by ITA, the U.S. Government and the private sector. Within ITA, TD's sector groups support policy development, export expansion and trade promotion activities, major projects initiatives, and other programs such as industrial mobilization programs and activities requiring industry-specific technical assistance. The groups prepare appropriate sections of the annual U.S. Industrial Outlook and other industrial publications. The groups maintain close liaison with Industry Sector Advisory Committees (ISACs), other Government agencies and private sector industry and trade associations.

Sector group activities include:

o disseminating domestic and international industry and trade information to Government and the private sector;

o participating in domestic export conferences to promote industry awareness of foreign market opportunities;

o planning, organizing, and recruiting participants for trade promotion events managed by sector groups and/or US&FCS overseas posts;

o participating in the development of policy positions and negotiating strategies for use in U.S. Government dealings with international bodies, including multilateral and bilateral negotiations;

o providing analysis and policy development to support Administration initiatives against unfair trade practices;

o implementing legislatively mandated trade laws concerning the annual review of the Generalized System of Preferences (GSP) program and import relief cases (national security and injurious competition);

o analyzing and commenting on proposed product/services-specific trade legislation;

o supporting the seventeen ISACs;

o collecting, analyzing, and preparing appropriate industry material for the U.S. Industrial Outlook and other publications that provide domestic and international industry analyses and forecasts;

- o identifying and taking appropriate action regarding trade barriers and trade opportunities in order to increase industry sector competitiveness abroad; and

- o preparing Competitive Assessments which are in-depth, intensive economic analyses on the present and long-term domestic and international competitiveness of specific U.S. industry sectors.

In addition to these functions, certain activities and functions are unique to one or more sectors, as follows:

- o Basic Industries (BI) covers a wide range of industries, including those related to automotive, chemicals, minerals and mining, energy, environment, forest products, capital goods and international construction. Basic Industries prepares and issues a mineral and mining study mandated by Congress; manages Commerce's responsibilities under the Solid Waste Disposal Act, as amended (P.L. 96-482); and has the lead U.S. Government role in (1) the implementation of the National Coal Export Policy, including the performance of a number of studies on the coal industry, (2) the implementation of the coal and oil sections of the Reagan/Nakasone Joint Statement on Energy Cooperation, and (3) the Energy Subgroup of the joint U.S./Korean Economic Consultative Group. BI is responsible for reports and studies mandated by the International Security and Development Cooperation Act of 1985 (P.L. 99-83) and Section 126 of the Export Administration Act of 1985 (P.L. 99-64). It provides the National Security Council with strategic stockpile substitution analyses; provides the Federal Emergency Management Agency (FEMA) with over 100 Strategic Stockpile Planning Reports annually; and, under the Defense Production Act, conducts several mandatory industry surveys for use in mobilization planning. BI develops the U.S. position on commodities and represents the U.S.Government at, and/or participates in, the International Commodity Negotiations concerning world market stabilization and the access to commodities for which the U.S. is critically import dependent. BI publishes the Construction Review periodically, and supports 9 of the 17 ISACs.

  BI organizes and administers an extensive environmental market development program which concentrates on East European countries, the ASEAN Region, and Latin America. BI works with industry associations in the environmental sector and with other federal agencies to coordinate environmental sector activities under the Trade Policy Coordinating Committee Working Group on Energy, Environment, and Infrastructure. Under the auspices of the Joint Committee on Investment and Trade, BI manages and operates a concentrated program to work with the Government of Mexico to introduce environmental technology and share expertise in critical environmental sectors. BI's focused environmental exports task force works to coordinate and weave together federal agency initiatives to promote and foster environmental sector export growth. BI assists U.S. engineering, construction and equipment firms to obtain contracts for major construction projects abroad and to compete successfully for major product procurements; and maintains the database on, and assists firms to take advantage of, the U.S.-Japan Major Projects Agreement (July 1991) which incorporates the 1988 Public Works Agreement and provides access to selected major public works projects. Basic Industries works with the staff of the EX-IM Bank regarding foreign major projects involving U.S. firms. BI is also responsible for the USDOC/DOE Joint Program to promote the export of renewable energy equipment, including chairing the Market Development Subcommittee of the Interagency Committee on Renewable Energy Commerce and Trade (CORECT); and for managing, in cooperation with FEMA and DOD, the Machine Tool Trigger Order Program which negotiates stand-by production agreements with U.S. manufacturers of selected machine tools which will be needed in event of a national emergency. BI monitors Defense Department procurement activities to ensure compliance with current restrictions on the purchase of machine tools; works closely with industry trade associations, international committees, and trade groups in developing export strategies for more than 40 capital goods industries; and takes the lead in supporting several U.S./Newly Independent States (NIS) Industry Trade Development Working Groups.

  Basic Industries also supports the auto and automotive parts industries and develops initiatives to increase sales opportunities in foreign and domestic markets through market-opening actions which are complemented by sales expansion/export promotion programs. An example is the Japan Auto Parts Trade Initiative which includes government-to-government talks (BI leads the U.S. delegation in the Auto Parts MOSS talks). It also employs government-to-industry contacts, and a variety of government and industry sponsored events such as industry conferences, and the U.S. Auto Parts Pavilion at the Tokyo Motor Show to increase the industry's ability to take advantage of new market opportunities. These activities are enhanced through close consultation and coordination with the Auto Parts Advisory Committee (established under the Fair Trade in Auto

Parts Act), ISAC 16 (Transportation, Construction and Agricultural Equipment), key industry associations, and individual companies. BI publishes The Annual Report on the Operation of the Automotive Products Trade Act of 1965.

- Service Industries and Finance (SI&F) provides staff support for, and participates in, GATT trade negotiations on services and in bilateral negotiations concerning service sectors. Staff members participate in the activities of several OECD Committees to promote policies liberalizing services trade which are conducive to sustained international economic growth. SI&F also works to provide its industries with current information on the status of EC 1992, as well as to develop a strategy to promote U.S. trade interests in the services sector in the EC 1992 process. The unit conducts a number of trade promotion activities, with emphasis on financial and professional services and information industries. SI&F implements the Department's responsibilities under the Export Trading Company Act of 1982. In this regard, they administer the Title III antitrust certificate of review program; issue guidelines and explanatory materials; identify groups likely to benefit from the ETC method of organization; counsel firms seeking antitrust certification; maintain a contact facilitation service; and coordinate Commerce/Government-wide efforts to promote ETC's and other export trade intermediaries. Service Industries and Finance also maintains close contact with the staffs of multilateral development banks in support of the international major projects program and general export promotion efforts.

  Activities related to international finance issues are also covered by Service Industries and Finance. Within the broad area of trade finance, the unit has responsibility for developing the Department's policy positions on international financial and monetary affairs. These responsibilities are carried out by doing research and analysis, coordinating with the regional and sectoral units affected, and by advancing Departmental positions at meetings where financial and monetary decisions are made. In the area of countertrade, SI&F implements the mandate of the Omnibus Trade and Competitiveness Act of 1988 to monitor countertrade trends, organize and disseminate barter information and publish periodic lists of known commercial opportunities, notify Federal agencies of barter opportunities for Government-owned surplus commodities, and assist enterprises seeking barter and countertrade opportunities. SI&F has a leading staff role in the Interagency Group on Countertrade, mandated by the same Act, which is chaired by the Secretary of Commerce. The unit also provides leadership and support to the small business community through dissemination of information on foreign sales corporations.

- Technology and Aerospace Industries (T&AI) supports U.S. high-technology electronic and aerospace companies competing overseas with early background information while working to enhance the competitive positions of these firms in those international markets. For the aerospace industry it coordinates U.S.Government assistance in specific critical export sales campaigns for commercial and defense applications. The group maintains a close liaison with the U.S. aerospace industry through the key trade associations, ISAC-1 (Aerospace Equipment) and individual companies; provides analytical support on a vast array of policy options and recommendations that affect the international competitive position of this industry; fosters improvements in its trade balance by identifying policy alternatives; works to influence those issues deemed relevant to the industry; works directly with individual companies on specific trade opportunities; and provides opportunities to promote their goods and services in foreign markets. T&AI monitors and implements the GATT Agreement on Trade in Civil Aircraft to ensure that the principles are observed by other signatories and that U.S. manufacturers are not disadvantaged in the international marketplace. It develops the Department's position for international negotiations and discussions relative to that Agreement. In cooperation with the Office of Finance, T&AI monitors the implementation of the OECD Sector Understanding on Export Credits for Aircraft and develops the Department's position for international negotiations and discussions relative to that Agreement. T&AI organizes and manages the USA National Pavilion at the biennial Paris Air Show, which takes more than a year of preparation, services 100-150 exhibitors, and has an operating budget supported by user fees of more than $1.8 million; organizes and manages other trade promotion activities, such as trade missions and U.S. Aerospace Products Information Centers in international aerospace trade shows; and, in collaboration with industry trade associations, organizes a series of domestic U.S. Government/industry conferences on aerospace export opportunities and challenges in critical markets. An additional area of responsibility is fostering the competitiveness of the U.S. commercial space industry in cooperation with the Office of Space Commerce. This includes the identification of policy issues and development of recommendations to the U.S. space launch vehicle industry; monitoring the agreement with the PRC on commercial space launches; and participating in international negotiations on "rules of the road" for the space launch market. For the high-technology electronics industry, Technology and Aerospace Industries manages international trade issues dealing with U.S. high-technology electronics industries (i.e. computers, software, telecommunications, semiconductors, electronic components, medical equipment, and scientific instrumentation); and directs promotion of exports through a variety of techniques in these industries. Its efforts include negotiations aimed at improving access for these highly competitive sectors in key foreign markets through the Market-Oriented Sector Selective (MOSS) follow-on activities in telecom, and medical; telecom trade agreement negotiations with the European Community and Korea; and in the case of Japan, specific agreements such as the Semiconductor Arrangement and the Supercomputer Agreement. T&AI is engaged in efforts to foster fair trade and presses for removal of trade barriers in international markets, both bilaterally and multilaterally. The unit is a key contributor to Special 301 actions in intellectual property and plays a lead role in protecting intellectual property rights internationally, especially in the software and semiconductor areas which are crucial to U.S. international competitiveness. T&AI is actively involved in the development of legislation affecting international trade and domestic commerce in products of importance to high-technology industries (e.g., telecom trade bills, capital gains taxes, antitrust reforms, and R&D credits). In an effort to directly promote exports, the unit conducts an aggressive trade promotion program, keying major events to priority overseas markets such as Japan, the Newly Independent States of the former Soviet Union, the newly-opened markets of Eastern Europe, and Latin America.

o Textiles, Apparel and Consumer Goods Industries (TA & CGI) provides staff support for, and participates in, negotiations of bilateral textile and apparel import restraint agreements; implements provisions of the bilateral agreements; monitors textile and apparel imports; chairs and provides staff support for the Committee for the Implementation of Textile Agreements (CITA); and determines when disruptive imports require the establishment of import quotas. Executive Order 11651, dated March 3, 1972, established CITA, chaired by Commerce, to supervise the implementation of all textile trade agreements under the Multifiber Arrangement Regarding International Trade in Textiles (MFA). TA&CGI also manages the Industry Sector Advisory Committee for Textiles and Apparel (ISAC 15) and administers a textile/apparel export expansion program, which involves exhibitions, trade missions, export seminars, and market research. A grant to the National Textile Center (NTC) supports basic research projects to assist the domestic textile and apparel industry in becoming more competitive in the global economy. The NTC is a consortium of four universities: Auburn, Clemson, Georgia Tech, and North Carolina State.

The interests of the vast and diverse consumer goods industries are served by TA&CGI through market-opening actions and sales expansion/export promotion programs in many important world markets. For example, the Japan Export Initiative brings high quality U.S. consumer goods (e.g. leisure goods, sporting goods, sporting equipment, furniture and books) to the attention of Japanese consumers through trade shows and missions. In focusing its promotional efforts, TA&CGI consults with a wide variety of consumer goods associations and producers, as well as with the members of ISAC 4 (Consumer Goods) and 8 (Footwear, Leather and Leather Products) for advice. This unit provides in-depth analysis and policy recommendations related to: (1) the removal of foreign trade barriers; (2) U.S.Government participation in multilateral and bilateral trade negotiations; (3) revision of U.S. regulatory programs affecting the competitiveness of U.S. consumer goods industries; and (4) the impact of imports on U.S. industry.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Evaluative, Analytical or Position Papers, and Reports Prepared	2,000	2,000	2,000
Interagency or International Sectoral Meetings/Negotiations Participated In	500	500	500
Departmental Positions and Comments on Legislation Prepared	250	250	250
Competitive Assessments Prepared	4	4	4
Major Projects Leads Disseminated	420	420	380
Major Projects Export Sales Facilitated ($millions)	440	440	440
Trade Promotion Events (missions, seminars, shows, etc.) Recruited and Supported (excluding certified shows)	60	60	90
Applications Processed for Antitrust Export Trading Company Certificates of Review	20	20	20
Firms Covered by Antitrust Export Trading Company Certificates of Review	5,100	5,300	5,500
CABNIS grants awarded	2*	7*	3

* Funding provided by AID.

Trade and Economic Analysis (TEA) --This is ITA's primary staff arm for macro-economic trade, investment, and cross-industry analysis and forecasting. TEA conducts major economic, trade, and investment studies, often in cooperation with the four sector groups; and provides general statistical data, information, and analysis regarding the impact of alternative trade and investment policy initiatives on the U.S. economy.

Specifically, TEA responsibilities include U.S. Government representation, analysis and support for the OECD Industry Committee and coordination of DOC participation in the Committee on Foreign Investment in the United States (CFIUS), including implementation of the Exon-Florio provisions of the Omnibus Trade Act of 1988. TEA provides information to other ITA offices, other Bureaus in Commerce, and the entire U.S. Government trade community through a mixture of computer-based delivery systems, microfiche and printed materials. The Trade Policy Information System (TPIS) is accessed almost 19,000 times annually by dozens of agencies. Microfiche and printed materials are maintained in the Trade Reference Room for the use of ITA analysts, staff from other Federal agencies, and the general public. Visitors exceed 5,000 annually. TEA is also responsible for developing and disseminating data on state and local exports, including aggregate statistics on exporting companies and the exports of key industries in individual states. These data are used to support Administration trade initiatives, such as the North American Free Trade Agreement, and the Enterprise for the Americas Initiative. Additionally, TEA provides this data to support the varied export promotion efforts of state agencies, the US&FCS, and TD sector groups.

TEA is responsible for publishing the U.S. Industrial Outlook, Foreign Direct Investment Transactions in the United States, the U.S. Foreign Trade Highlights annual report, the U.S. International Direct Investment periodic report, periodic reports on U.S. manufactures trade, and technical and staff papers on a wide variety of economic issues.

The U.S. Industrial Outlook is a critical mechanism of the International Trade Administration for the efficient delivery of information to three major users: (1) the private business community; (2) the Commerce Department and other agencies of the Federal Government; and (3) state and local governments. It is a unique source of the Department's full-spectrum analysis of domestic business and the international marketplace. The Outlook eliminates the need for a large number of narrow-focus publications, thereby making the most efficient use of both staff time and publishing dollars. TEA serves the entire U.S. Government community in developing and maintaining conveniently accessible, comprehensive data bases for analyzing U.S. and foreign trade trends in order to facilitate trade policy formulation, enforcement and other administration activities, and to support U.S. Government participation in multilateral and bilateral trade negotiations. This Trade Policy Information System (TPIS) is crucial for supporting U.S.Government participation in multilateral trade negotiations under the auspices of the GATT.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Evaluative, Analytical or Position Papers, and Reports	31	30	30
Major Report on Foreign Direct Investment	1	1	1
U.S. Industrial Outlook	1	1	1
Exon-Florio Reviews of Foreign Acquisitions of U.S. Companies	123	120	150
Speeches/Testimony/Talking Points	30	30	25
Annual Report on U.S. Foreign Trade Highlights	1	1	1
Major Statistical Reports	5	5	5
Software Development for, and Maintenance of, Interagency Data Base	6	6	7

Exhibit 13

Department of Commerce
International Trade Administration
INCREASE FOR 1994
Consortia of American Businesses in the Newly Independent States (CABNIS)
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
Sectoral Analysis	POS./BA	331	36,175	331	37,924	0	1,749
	FTE/Obl.	328	36,175	328	37,924	0	1,749

Consortia of American Businesses in the Newly Independent States (CABNIS) (0 FTE, $1,749,000)- This increase request will enable TD to fund at least 3 Consortia of American Businesses offices in the Newly Independent States (NIS). This builds upon the base of 2 Consortia offices opened in FY 1992 and 7 Consortia offices which will be funded in FY 1993 with AID funds. The disintegration of the former Soviet Union and its replacement by the "Newly Independent States" presents the United States with perhaps its greatest and most difficult challenge in recent years--the peaceful inclusion of the Newly Independent States and their people in the new world order. If the United States by encouragement, example and assistance can successfully lead the Newly Independent States in the development of dynamic, market driven economies, the rewards will be great--peace and prosperity. An important U.S. goal is to encourage and facilitate the development of market driven economies that can provide for the material welfare of the people of the NIS. At the same time we will support U.S. industry in its efforts to take advantage of the export opportunities that the healthy economies of the NIS will provide.

This program, modeled on the existing Consortia of American Businesses in Eastern Europe (CABEE), will: (1) establish U.S. consortia of for-profit firms interested in doing business in the Newly Independent States, and (2) locate U.S. consortia commercial offices in the NIS. These offices will represent the commercial interests of the consortia members and will be in a prime position to provide meaningful support to U.S. exporters and host country economies.

The CABNIS consortia and their trade offices will be favorably positioned to support both public and private initiatives designed to increase U.S. exports and/or assist in the privatization movement (e.g., consortia involvement in industry demonstration projects, management exchange programs, technical training, and the development and support of host country counterpart trade organizations).

This proposal for additional funds builds on the success we have experienced with the original CABEE grants.

Through the existing CABEE program, grant seed money has been provided to U.S. non-profit organizations with the capacity to form consortia of for-profit U.S. firms (primarily small- and medium-sized) and establish trade offices in Eastern Europe. These trade offices will represent the commercial interests of the consortia members on a long-term basis (three or more years) and will provide consortia members with export facilitation services (e.g., market research, identification of sales and joint venture opportunities and appropriate trade contacts, and staging of trade shows and technical seminars).

The additional resources requested will be used to:

- Establish three consortia offices in the NIS. ITA will serve as a mentor to each grantee, supporting consortia activities and resolving difficulties wherever possible. At least 50% of the costs of establishing and running the consortia offices will be borne by the grantees.
- CABNIS will provide U.S. firms with a sustained physical presence in the NIS. This presence will enhance the conditions for increased U.S. exports and contribute hands-on assistance to the emerging NIS private sector.
- Consortia members will have the benefit of on-site export trade support services in host countries. Commercial representation by U.S. consortia offices will be long-term, with many offices operating on a self-sustained basis beyond the three-year grant expenditure period.
- The three consortia grants will be in addition to the five put in place in Eastern Europe at the end of fiscal year 1991 and 9 funded in the NIS in FY 1992 and FY 1993 by AID.

This program will result in increased U.S. exports to the NIS; more jobs for U.S. workers; increased U.S. investment in the NIS; stronger, more stable market driven economies for the NIS; and a better chance for continuing peace and prosperity for both the United States and the NIS.

Performance Measures:	**1994**	**1995**	**1996**	**1997**	**1998**
CABNIS Grants Awarded	3	3	3	3	3

Cost and Benefits:

Direct Obligations					
Capitalized	0	0	0	0	0
Uncapitalized	1,749	1,749	1,749	1,749	1,749
Total	1,749	1,749	1,749	1,749	1,749
Budget Authority	1,749	1,749	1,749	1,749	1,749
Outlays	1,233	1,578	1,749	1,749	1,749
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollar amounts in thousands)

Activity: **Trade Development**
Subactivity: **Sectoral Analysis**
Program Change: **Consortia of American Businesses in the Newly Independent States (CABNIS)**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	**Total personnel compensation**	**0**
12.1	Civilian personnel benefits (26.86%)	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	100
22	Transportation of things	0
23.1	Rental payments to GSA	0
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	0
24	Printing and reproduction	20
25	Other services	24
26	Supplies and materials	5
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	1,600
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	**1,749**

Exhibit 10

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: **International Trade**
Subactivity: **International Economic Policy**

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
International Economic Policy											
Management and	Pos./BA	30	2,596	29	2,588	29	2,718	29	2,718	0	0
Policy Coordination	FTE/Obl.	33	2,805	27	2,606	27	2,718	27	2,718	0	0
Regional Economic Policy	Pos./BA	213	15,267	213	14,737	213	15,765	213	22,165	0	6,400
	FTE/Obl.	197	16,131	210	16,262	210	15,765	210	22,165	0	6,400
Direct Obligations	**Pos./BA**	**248**	**17,863**	**242**	**17,325**	**242**	**18,483**	**242**	**24,883**	**0**	**6,400**
	FTE/Obl.	**230**	**18,936**	**237**	**18,868**	**237**	**18,483**	**237**	**24,883**	**0**	**6,400**

Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR INTERNATIONAL ECONOMIC POLICY

Goals and Objectives for FY 1994

Goals: The goals of this subactivity are to expand overseas markets for U.S. goods and services, increase U.S. exports and strengthen worldwide protection of intellectual property rights.

Objectives: International Economic Policy (IEP) will achieve these goals by working to expand foreign markets through the removal of barriers to travel, trade and investment, provide counseling to increase U.S. exports of goods and services, and taking prompt, aggressive action identifying intellectual property rights violations. Through its management and policy coordination and regional economic policy programs, IEP:

- advises on the formulation and implementation of U.S. Government international trade, commercial and investment policies from a country-specific or multilateral perspective;
- supports an active program of domestic and overseas trade promotion events that assist U.S. firms increase exports;
- supports multilateral trade, investment, science and technology and similar commercial negotiations/consultations and monitors/enforces foreign country implementation of agreements to ensure maximum benefits for U.S. firms;
- supports an active outreach program on multilateral negotiations and agreements that solicits private sector advice and increases U.S. business awareness of and action on enhanced commercial opportunities;
- increases U.S. competitiveness in the changing world trading environment by upgrading worldwide protection for U.S.-held intellectual property rights;
- implements current U.S. trade laws and develops positions on proposed domestic trade legislation;
- protects and advances U.S. commercial interests by identifying and resolving bilateral economic problems which threaten U.S. economic activity;
- identifies future bilateral, multilateral and regional trade, commercial and investment problems and formulates solutions;
- analyzes and disseminates country information;
- contributes to effective management of the foreign operations by overseeing, with the U.S. and Foreign Commercial Service management, policy and program activities of the senior foreign commercial officers; and
- provides business counseling services to U.S. exporters on marketing questions.

To meet its goals, IEP develops international trade and investment policy to address trade barriers, conducts outreach programs to promote U.S. exports and monitors foreign compliance with U.S. trade laws and international agreements, seeking remedial actions when foreign violations occur.

Base Program

Management and policy coordination -- This program develops and implements policies related to international trade and investment issues by coordinating the activities undertaken by the regional economic policy element of IEP and providing policy analysis, development, and representational capability for those issues which are cross-cutting in nature (e.g., competitiveness, science and technology agreements). In addition, it provides a central management function for IEP through the Assistant Secretary and the Deputy Assistant Secretary for International Economic Policy, develops uniform policies for supervising program activities of foreign operations, and initiates and supervises analyses and policy papers on issues of cross-cutting concern. Staff assigned to the multilateral affairs function coordinate the development of non-sectoral trade and investment policy issues which arise in a multilateral context, including international for a such as the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Cooperation and Development (OECD), and the specialized agencies of the United Nations. In support of ITA's subgoal to expand overseas markets by removing trade and investment barriers, the program develops U.S. positions for and participates in multilateral negotiations and consultations under the GATT; on OECD trade and investment issues such as countertrade, the National Treatment Instrument for investment; and on UN issues such as the Code of Conduct for multinational corporations. It monitors the implementation and enforcement of U.S. trading rights stemming from multilateral agreements under the GATT, including those agreements resulting from during the Uruguay Round and preceding major global negotiations. It coordinates ITA's efforts to resolve international trade and investment disputes under these agreements through the GATT or other appropriate venues. It prepares and reviews papers and participates in interagency and international meetings on GATT, OECD, and UN issues; and it undertakes policy analyses of issues related to these international organizations. This program plays an important role in development of Administration positions on proposed trade legislation and in the implementation of current U.S. trade laws such as the Omnibus Trade Act of 1988 which includes section 301 cases and the renewed Generalized System of Preferences program for developing countries, re-authorized by the Trade and Tariff Act of 1984; supports negotiation of bilateral investment treaties, and with technical assistance from the Patent and Trademark Office, provides coordination of intellectual property issues. It also supports the Technology Administration's review of bilateral science and technology agreements.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Primary Policy Support			
Briefing papers prepared	905	773	475
Speeches, testimony prepared	105	73	52
Interagency, meetings attended	890	632	500
Commissions, bilateral meetings attended	328	220	105
Primary Private Sector Outreach			
Events supported	5	5	4
Special publications prepared	4	1	1
Magazine/periodical articles written	16	11	1
Seminars organized	2	1	1
Speeches delivered	73	47	52
Business counseling sessions	855	725	550

Regional economic policy -- This program develops and implements policies in support of expanding overseas markets by removing barriers to travel, trade and investment, increasing U.S. exports of goods and services, and taking prompt, aggressive action against unfair trade practices. After evaluating U.S. business and consumer interests, policy recommendations are formulated; and U.S. trade, investment and commercial policies and programs are established and implemented in the interagency system with primary implementation responsibility lodged in Commerce. Remedial action is taken to maintain the original balance of concessions to the U.S. in previous agreements, and action which is responsive to U.S. objectives and to foreign government initiatives is taken through bilateral negotiations. The regional economic policy program also provides for a continuous study of foreign countries and regional groupings to develop and maintain an in-depth knowledge of the structures, problems, workings, and directions of their economies and markets as they affect U.S. economic and commercial interests. IEP country desk officers identify short- and long-term foreign developments and measures which affect U.S. commercial relations with countries and regional economic groupings. This information and analysis are made available to U.S. exporters through regular and special publications and extensive business counseling, which are designed to assist small- and medium-sized and new-to-market firms in particular. Additional program responsibilities include participation in the interagency formulation of policy guidance for consultations and representations with regional groups such as the European Community (EC), the European Free Trade Area, Eastern Europe and Russia and the Newly Independent States, as well as the Enterprise for the Americas Initiative (EAI) and Asia Pacific Economics Cooperation (APEC) countries.

As a part of this policy development and implementation process, IEP regional managers (Deputy Assistant Secretaries) supervise policy and program activities of Senior Foreign Commercial Officers. Specific supervisory responsibilities include: day-to-day contact between the country desks and the Foreign Commercial Officers on a worldwide basis; knowledge of post activities; and oversight of Senior Foreign Commercial Officers' activities related to program implementation. The country desk officer and the foreign commercial post coordinate resources to produce reports, make representations, and implement trade promotion activities. In addition, this program has responsibility for participating in the development and management of Country Marketing Plans (CMP) for 131 foreign commercial posts in conjunction with ITA units and other Federal agencies. Through the CMP, the regional Deputy Assistant Secretary participates in the country goal-setting process for each foreign commercial post and participates with the Director General of the U.S. and Foreign Commercial Service in evaluating Senior Foreign Commercial Officer's performance against these goals. Through these activities, IEP plays an active role in export promotion and contributes to the effectiveness of ITA-wide efforts to remove foreign trade and investment barriers.

Country desk officers provide policy analysis and policy recommendations to Government officials. The policy analysis aspect of this program examines general economic data such as market growth rates, import/export trends, tariff, non-tariff and investment barriers affecting U.S. sales, economic development plans, likely host government and private sector purchasing patterns, distribution channels and credit practices, and the competitive position of our leading foreign trading partners. Plans are prepared to reduce barriers to U.S. market access in countries of greatest U.S. export potential. For example , in 1992 IEP issued a report on obstacles to trade in the former Soviet Union, "Obstacles to Trade and Investment in the New Republics of the Former Soviet Union: A Review of Impediments as Seen by the Business Community," which served as a framework for much of the U.S. Government's assistance to the Newly Independent States developing private sector. This program also identifies and maintains information concerning the activities of individual foreign companies and host government decisions affecting the marketing opportunities of individual American suppliers. Information is assembled from a wide range of sources including diplomatic and intelligence reports, private and Government publications, official and business travelers, and ITA's foreign market research program. This information provides a data source which enables the country specialist to develop comprehensive analysis and recommendations for senior policy officials and to contribute to the preparation of the annual National Trade Estimates report mandated in the Omnibus Trade Act of 1988.

As a corollary to this effort, country desk officers perform a variety of functions designed to assist the U.S. business community to enter world markets or expand sales in existing markets. Drawing upon their expertise in foreign trade and investment policies and practices, country specialists are responsible for contributing to program recommendations and participating in the development of ITA's overseas trade promotion activities, including designation of markets as appropriate for special emphasis. Also, country desk officers develop comprehensive plans for major overseas trade exhibitions, trade missions, and catalog shows. In addition, country desk officers provide economic and commercial background information on their countries to other Government agencies and Congressional committees and staff. Where appropriate, country desk officers publish commercial and marketing information useful to the private sector. Often the private sector provides information to the country desk officers pertinent to policy questions or to injurious foreign country practices. On the basis of such information, the country desk officer formulates policy initiatives and makes recommendations for appropriate governmental actions aimed at advancing U.S. policy interests or redressing grievances.

Regional economic policy units devote considerable resources (approximately 35 percent) to business outreach programs. A significant portion of their efforts is business counseling, where country desk officers respond to specific questions involving such critical programs as the European Community 1992; Eastern Europe, Russia and the other Newly Independent States; the U.S.-Canada and Free Trade Agreement; North American Free Trade Agreement; such initiatives as the Enterprise for the Americas

Initiative, Andean Trade Initiative; Caribbean Basin Initiative; and such special markets as Japan, Korea, and Taiwan. As part of business counseling, IEP operates three business information centers, i.e., Eastern Europe Business Information Center (EEBIC), Latin America/Caribbean Business Development Center (LA/CBDC), and the Japan Export Information Center (JEIC). In supporting the "Freedom Support Act of 1992," and together with the Agency for International Development (AID), IEP opened the Business Information Services for the Newly Independent States (BISNIS) Center on June 15, 1992. It supplements our Special American Business Internship Training (SABIT) program that provides training for business managers and scientists from the Newly Independent States (NIS). AID funds supporting EEBIC, LA/CBDC, BISNIS and SABIT is of a temporary nature. The Centers function as clearinghouses for information on trade and investment opportunities and provide general business counseling to assist firms gaining access to countries and industries of interest to the U.S. firms. Additionally, the Centers publish informational materials to help U.S. firms seize arising trade and investment opportunities. These publications range from trade program guidebooks to financing directories and provide the private sector with current information to assist in the identification and evaluation of potential trade and investment opportunties. For example, EEBIC and BISNIS have approximately 500 standard publications/hand-outs that are updated as appropriate and disseminated to the U.S. business community on export opportunities. The Centers have at least 28,000 companies on data base and add approximately 1,000 firms per month enabling the staff to disseminate trade opportunities information on a very short notice. LA/CBDC produced 18 publications, including a monthly business opportunity magazine, to assist U.S. businesses of all sizes and to promote the EAI, Simply put, the Centers act as "one-stop shops" providing businesses with services to facilitate commercial activities.

The program also supports implementation of Multilateral Trade Negotiations (MTN) tariff and non-tariff agreements, and investigation of unfair foreign trade practices through monitoring and analysis of individual foreign government policies and practices. It develops information concerning foreign government practices affecting MTN commitments; provides data, analysis and policy recommendations for use in multilateral trade negotiations, and in comprehensive bilateral free trade and investment negotiations with key trading partners (e.g., Canada and Mexico); and provides secretariat support for bilateral commissions on trade and commercial relations for which the Department is responsible. These commissions are jointly chaired by senior U.S. and foreign government officials and provide fora for the discussion, negotiation and resolution of bilateral trade and commercial problems. High-level trade and investment missions are also organized and staffed on a periodic basis which offer exceptional exposure and opportunities to U.S. companies. The program works to eliminate access barriers to the Japanese market for U.S. goods and services through participation in market-oriented, sector-selective (MOSS) talks and other bilateral negotiating mechanisms; prepares briefing materials and coordinates with other Government agencies and foreign governments for the Secretary's involvement in joint economic commissions and ministerial consultations; and assists U.S. industry in improving its export performance in expanding markets.

An important example of the program's support for implementation of agreements and advancement of U.S. commercial interests is the U.S.-Canada Free Trade Agreement (CFTA) which was implemented in January 1989. This historic agreement governs the world's largest bilateral trade relationship and addresses trade in goods, services, and investment. The CFTA calls for the gradual elimination of Canadian and U.S. tariffs, saving consumers millions of dollars and enhancing each countries trade and investment opportunities. The CFTA secures access to Canada's market by ensuring that future Canadian laws will not discriminate against U.S. business. This is the first agreement between major trading partners to address impediments and distortions to trade in services. IEP staff continues to participate in bilateral negotiations to ensure the effective implementation of the CFTA and to ensure that Canada lives up to its obligations in such areas, for example, as alcoholic beverages, fisheries and tariff removals. To help the business community use the agreement, IEP prepared eleven CFTA publications. The best seller, on customs procedures, leads exporters through the process necessary to benefit from tariff removal, thereby, making U.S. products more price competitive in Canada. Seven companion publications were prepared to address other aspectsof doing business in Canada. IEP regularly revises current issues and adds new publications to reflect the rapidly changing economic, commercial, and regulatory environment in which U.S. exporters operate. Based on the success of the U.S.-Canada FTA and in support of a Presidential Enterprise for the Americas Initiative, IEP participated extensively in the North American Free Trade Agreement (NAFTA) that involved trilateral negotiations with Canada and Mexico. Under the Presidential Reorganization Plan 3 of 1979, the Department is responsible for implementation of trade agreements. IEP will have a leading role in developing means to ensure Canadian and Mexican compliance under NAFTA in such diverse areas as market access, government procurement, intellectual property rights and standards. In addition, NAFTA mandates at least 60 trilateral activities and over two dozen trilateral standing working groups that will call for IEP's technical expertise and/or participation. Implementing legislation is likely to task additional unilateral responsibilities such as studies and reports. Following projected ratification of NAFTA in FY 1993, we will support the President's commitment to Chile to negotiate an FTA. Other FTAs are anticipated then with 25 Central and South American countries of which several are likely to be negotiated during FY 1994.

In January 1989, the FTA Binational Secretariat was created by the U.S.-Canada Free Trade Agreement to administer panel review procedures to settle disputes arising under the FTA. The Secretariat has U.S. and Canadian Sections which act as "mirror-images" of each other to administer the dispute settlement process. The Secretariat administers a panel review procedure which offers an alternative process to the Court of International Trade in U.S. cases, and provides for a new appeal process in Canadian cases, for review of antidumping and countervailing duty final determinations, administrative reviews, and scope determinations by the U.S. Import Administration and the Canadian International Trade Tribunal and injury determinations in antidumping and countervailing duty cases by the U.S. International Trade Commission and Revenue Canada. Over the past four years, panels have reviewed contentious cases including fresh, chilled or frozen pork from Canada, softwood lumber from Canada, beer from the U.S. and exports of durum wheat from Canada. Under the NAFTA, the Secretariat will expand to include a Mexican Section and will have broader responsibilities to implement the dispute settlement chapters of the Agreement.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Primary Policy Support			
Briefing papers prepared	3,695	3,911	3,347
Speeches, testimony prepared	2,434	676	784
Interagency meetings attended	3,535	4,285	3,785
Commissions, bilateral meetings attended	990	657	697
Primary Private Sector Outreach			
Events supported	506	663	751
Special publications prepared	391	249	287
Magazine/periodical articles written	427	426	454
Seminars organized	232	253	280
Speeches delivered	444	715	813
Business counseling sessions			
Telephone calls	248,346	259,160	343,556
Visitors	18,397	20,018	24,134

The above data for FY 1994 includes performance measures for services to be performed by contractors.

Exhibit 13

Department of Commerce
International Trade Administration
INCREASE FOR 1994
Building American Market Share in the Newly Independent States
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
Regional economic policy	**POS./BA**	**213**	**15,765**	**213**	**22,165**	**0**	**6,400**
	FTE/OBL.	**210**	**15,765**	**210**	**22,165**	**0**	**6,400**

Building American Market Share in the Newly Independent States **(0 FTE, +$6,400,000)** - This increase will enable IEP to aid in building American market share and aid the transition to market democracy in the Newly Independent States. This request is especially necessary now that American business must deal with 12 nations where there was only one before and where the change to a market economy creates huge business potential.

The Newly Independent States (NIS) are establishing policies, laws, regulations and business practices which will govern their emerging markets and determine opportunities for U.S. business. President Clinton, in his speech at the American University, February 26, 1993, stressed the importance of success of democracy in Russia and other former Soviet republics. He stated "... If we are willing to spend trillions of dollars to ensure communism's defeat in the Cold War, surely we should be willing to invest a tiny fraction of that to support democracy's success where communism failed .... Most worrisome is Russia's precarious economic condition. If the economic reforms begun by President [Boris] Yeltsin are abandoned ... the world will suffer." In support of President Clinton's blueprint for America to "Compete, Not Retreat," IEP is requesting funds to (1) aggressively pursue the removal of obstacles to U.S. trade and investment in the NIS; (2) operate **Business Information Service for the Newly Independent States (BISNIS)** center (a one-stop service for business information on commercial opportunities and conditions in the NIS); (3) continue and expand on the **Special American Business Internship Training (SABIT)** program by combining IEP's efforts with the U.S. private sector to teach NIS interns business management skills; and (4) allow more effective policy coordination given the multiplicity of new countries as well as additional emphasis on technical assistance as a means for boosting exports.

Specifically, IEP will promote expansion of U.S. exports through **Bilateral Business Development Committees (BDCs)** established with Russia, Ukraine and other states that will provide a broad forum in which to address business and market development issues and from which individual business development programs can be launched. BDC's will focus on:

-- Commercial infrastructure development and improved commercial conditions, including development of action plans for removing obstacles and regular consultative sessions with U.S. industry on the obstacles to business. This effort will include sub-groups on standards development, investment regulations, etc.;

-- Developments in the overall commercial and economic relationship, identifying and, when possible, resolving issues as they arise.

With the creation of 12 new states with new leadership, laws, and uncertain commercial conditions, business information is difficult to obtain in the former Soviet Union. American companies require up-to-date, reliable information in order to assess, enter and do business. The President has placed US-NIS relations on a new basis of cooperation and assistance, emphasizing economic improvement of Russia as a major issue and one of the defining elements of his international economic policy. This is why we are requesting resources to fund **BISNIS**. This program will concentrate on the following major activities:

-- The Center's staff will respond to telephone, fax and walk-in requests from companies, providing information on markets in individual NIS states, new commercial laws and policies affecting trade, economic conditions, industrial leadership and contacts, NIS firms, U.S. government programs and assistance and Private Volunteer Organization activities. This includes operating a 24-hour automated flash fax system though which U.S. companies receive information on doing business in the NIS.

-- BISNIS will publish on a regular basis a NIS Business Bulletin and other publications (up to 200 publications on hand as of March 1993) alerting companies to the latest developments and sources of support.

-- An Outreach Program will be designed in coordination with the Trade Promotion Coordinating Committee to acquaint U.S. and NIS firms, particularly small and medium-size ones, with each other's interests and capabilities.

-- BISNIS will develop a two-tiered database of (1) U.S. firms interested in doing business in the NIS, and (2) NIS businesses which are looking for U.S. partners. The Center will use the database to inform U.S. and NIS firms of business opportunities, U.S. trade and investment events and technical assistance projects, and market developments.

-- A BISNIS Overseas Business Network will develop direct contacts with state and local government officials and contracts with local organizations which will provide BISNIS with current market information specific to various regions and key industrial centers.

-- Since the proportion of smaller and medium-size firms active in NIS markets and new-to-market firms is expected to grow significantly, BISNIS will become our major tool in providing extensive, comprehensive, and current information to the U.S. business community.

To continue the work done by the **SABIT** program, mostly funded by AID through FY 1993, we are requesting additional resources to encourage the U.S. private sector to share its expertise on business development and management with the NIS. In order for the NIS to implement market reform, hands-on guidance is required in how to start up and run successful businesses. To quote Igor Rounov, vice president of a U.S.-Russian trade council "... our businessmen don't know how to take the first step, to prepare a business plan, to calculate expenses...." U.S. business has valuable expertise and U.S. companies that become involved in helping these new markets meet their economic goals will have an important marketing advantage. Also the program covers internships for scientists, which will help American firms develop contacts with a scientific community well-known for basic research in many areas. Additionally, we are also proposing "reverse" SABIT, i.e., IEP will market the program to U.S. companies inviting their executives to teach the NIS managers and scientists in the NIS. The U.S. companies participating in the SABIT program will be given the opportunity to reinforce the training given NIS interns here, by sending some of their own executives to the NIS to work with their own interns in their enterprises in the NIS.

The result of these efforts will be an improved environment for doing business in the NIS, creation of new opportunities by removing barriers to U.S. exports and investment, an increased number of U.S. firms competing and exporting to the NIS and economic growth both in the U.S. and NIS. Such steps are essential if American firms are to remain competitive in this market against West European and Japanese businesses.

	1994	1995	1996	1997	1998
Performance measures:					
Business counseling sessions held	61,250	81,000	81,000	81,000	81,000
Special publications, magazines,articles	85	110	110	110	110
Seminars organized/supported	8	11	11	11	11
Speeches delivered	20	25	25	25	25
No. of SABIT interns placed	300	300	300	300	300
Cost and Benefits:					
Direct obligations					
Capitalized	183	183	183	183	183
Uncapitalized	6,217	6,217	6,217	6,217	6,217
Total	6,400	6,400	6,400	6,400	6,400
Budget Authority	6,400	6,400	6,400	6,400	6,400
Outlays	4,512	5,773	6,400	6,400	6,400
FTE	0	0	0	0	0

Exhibit 15

Department of Commerce
International Trade Administration
Operations and Administration

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity: **International Economic Policy**
Subactivity: **Regional Economic Policy**
Program Change: **Building American Market Share in the Newly Independent States**

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	0
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	0
12.1	Civilian personnel benefits (26.86%)	0
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	330
22	Transportation of things	70
23.1	Rental payments to GSA	320
23.3	Communications, utilities, and miscellaneous charges	90
24	Printing and reproduction	120
25	Other services	2,127
26	Supplies and materials	160
31	Equipment	183
32	Lands and structures	0
33	Investments and Loans	0
41	Grants, subsidies and contributions	3,000
42	Insurance claims and indemnities	0

		FY 1994 Increase
43	Interest and dividends	0
44	Refunds	0
99	Direct obligations	6,400

Exhibit 10

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: **International Trade**
Subactivity: **Import Administration**

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
Import Administration											
Import Administration .	Pos./BA	334	23,911	317	27,260	317	28,139	317	28,139	0	0
	FTE/Obl.	259	21,938	307	29,505	313	28,139	313	28,139	0	0
Special Import Programs	Pos./BA	18	1,048	20	1,163	20	1,202	20	1,202	0	0
	FTE/Obl.	17	1,214	19	1,178	19	1,202	19	1,202	0	0
Direct Obligations	Pos./BA	352	24,959	337	28,423	337	29,341	337	29,341	0	0
	FTE/Obl.	276	23,152	326	30,683	332	29,341	332	29,341	0	0

Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR
IMPORT ADMINISTRATION

Goals and Objectives for FY 1994

Goal: The goal of this subactivity is to improve American competitiveness through effective administration of U.S. trade laws and enforcement of sector-specific trade agreements that govern U.S. imports.

Objectives: ITA will achieve this Department of Commerce goal by taking prompt, aggressive action against unfair trade practices through the administration and enforcement of U.S. trade laws and those agreements that have been negotiated to address sector-specific trade distorting practices. The objectives of this activity are to conduct antidumping (AD) and countervailing duty (CVD) investigations and administrative reviews within statutory time limits; to negotiate and administer the voluntary restraint agreements under the President's Program for Machine Tools and the U.S.-Japan Machine Tool Cooperation Plan; to administer the new U.S.-Japan Semiconductor Arrangement; to administer the Foreign Trade Zones Program; and to manage and support special import programs.

Base Program

Import Administration (IA) -- IA defends American industry against injurious trade practices by administering efficiently, fairly and in a manner consistent with U.S. international obligations: the antidumping and countervailing duty laws of the United States; the voluntary restraint agreements under the President's Program for Machine Tools and the U.S.-Japan Machine Tool Cooperation Plan; and the new U.S.-Japan Semiconductor Arrangement.

The major objectives of this subactivity are to process and complete investigations and administrative reviews within the statutory time limits of the trade laws and implement other requirements of the U.S. AD and CVD laws. IA will also execute the AD and CVD provisions in legislation implementing any Uruguay Round trade agreement. This program is comprised of four principal program areas: AD/CVD Investigations; AD/CVD Compliance; AD/CVD Policy; and AD/CVD Accounting. AD/CVD laws are administered in a manner consistent with overall U.S. trade policy, the relevant statutes, and international obligations.

The Deputy Assistant Secretary (DAS) for Investigations is responsible for the conduct of investigations in cases where there is reason to believe that imports are being subsidized or are being sold in the United States at less than fair value. Affirmative determinations, supported by injury determinations made by the International Trade Commission, can result in AD/CVD assessments which are then collected by the Customs Service. This program is the primary contact for petitioning U. S. industries.

Once an investigation has been completed and an AD/CVD order issued or suspension agreement accepted, the Deputy Assistant Secretary for Compliance is responsible for the monitoring and administrative review of the order or agreement.

- **Investigations:** The Offices of Antidumping Investigations and Countervailing Investigations are charged with conducting the initial investigation under the AD/CVD laws where there is reason to believe imports are being unfairly subsidized or sold in the U.S. at less than fair value. Each investigation must be completed within strict statutory deadlines, and the investigations vary widely in terms of scope and complexity. Each investigation requires: (1) analysis of information provided by the petitioning U.S. industry to determine whether an investigation should be initiated; (2) preparation of extensive questionnaires, to be answered by the relevant foreign governments and/or industry, which seek information about foreign government programs available to firms, and the individual firm's prices and costs; (3) analysis of responses to the questionnaires and verification of such responses on-site in the foreign country at the relevant government and/or industry offices; (4) calculation of estimated subsidy or dumping margins; and (5) preparation of preliminary and final determinations, including Federal Register notices that explain each determination and discuss and resolve each issue raised by the parties to the investigation. When the results of a final determination are challenged in the Court of International Trade or, for Canadian cases, under the FTA, the Investigations unit provides support to the Chief Counsel for IA and the Justice Department. If a case is remanded to IA by the Court of International Trade, the investigation is re-conducted in accordance with the Court's instructions.

In addition, these offices counsel U.S. industries that are considering filing AD or CVD petitions. This requires Investigations staff to meet with industry representatives in Washington or at the industry's offices or factories; educate the industry representatives about the requirements of the AD/CVD laws; review information provided by the industry; and advise whether additional information would be necessary to justify the initiation of an investigation. Investigations is particularly active in counseling small U.S. businesses which are less able to afford legal counsel and in assisting them in preparing AD/CVD petitions. In addition, considerable resources are expended in counseling larger businesses and their legal counsel at the pre-petition phase of an investigation. When the Department is considering self-initiation of an investigation, these offices are required to conduct an in-depth pre-initiation investigation and convey the results, in a memorandum to both the Deputy Assistant Secretary and the Assistant Secretary for IA, that recommends whether an investigation should be self-initiated. Staff is also required, in each investigation, to monitor and control the dissemination of business proprietary information to counsel for parties through the issuance of administrative protective orders. Finally, Investigations staff drafts responses to allegations that the AD/CVD laws have been violated and inquiries regarding on-going and potential AD/CVD investigations for Departmental officials and Congress.

In addition to these specific case-related activities, Investigations also undertakes special assignments at the request of the Assistant Secretary and Deputy Assistant Secretary for IA. Currently, Investigations is providing staff support for various aspects of the Uruguay Round negotiations on subsidies and antidumping. Our Investigations unit also participates in briefings, given in Washington and foreign countries, for foreign government officials, lawyers, and businessmen on the application of the AD and CVD laws. For example, the unit recently participated in a training session for the benefit of foreign governmentsconcerning administration of the AD/CVD laws. These non-case specific activities are expected to continue.

o Compliance: The Offices of Antidumping Compliance and Countervailing Compliance conduct requested administrative reviews of AD/CVD orders and findings in order to determine first, the estimated AD/CVD duties deposited when merchandise covered by an AD/CVD order is imported, and second, the final amount of the duties to be paid. Compliance also conducts requested administrative reviews of suspended investigations to determine compliance, or lack thereof, with the agreements forming the basis of the suspension. These statutorily mandated reviews require Compliance to obtain and, frequently, verify detailed subsidy, price, and cost of production information. This entails considerable foreign and domestic travel for on-site verification. The administrative review process involves the same tasks as described for the investigatory process (except for petition analyses and initiation activities), namely: preparation and presentation of questionnaires; review of extensive financial and accounting information; analysis of formal written and oral comments on the preliminary results; preparation and publication of final results; and provision of instructions to the Customs Service. Staff is also required, in each administrative review, to monitor and control the dissemination of business proprietary information to counsel for parties through the issuance of administrative protective orders. When the results of administrative reviews are challenged in the Court of International Trade or, for Canadian cases, under the FTA (which has been occurring with increasing frequency), Compliance provides support to the Chief Counsel for IA and the Justice Department. If the case is remanded by the court, any portion or portions of the review process may have to be repeated.

The workload of this program is constantly expanding because AD/CVD orders are usually in effect for several years. In addition, an increasing amount of time and resources is devoted to activities, such as: import monitoring triggered by the persistent injurious dumping provision in the 1984 Trade Act; various Customs liaison activities, including providing recommendations on the treatment of unliquidated entries, protests, and penalty cases; and litigation assistance. Other resource-intensive activities include scope and anti-circumvention inquiries which constitute their own legal proceedings and are, therefore, subject to litigation. Like administrative reviews, these inquiries require data collection, extensive research, participation by all interested parties, hearings, and Federal Register notices announcing our decisions. Scope cases present such complex issues as determining whether sophisticated newly-developed goods fall within the product coverage of existing orders. A relatively recent addition to the statute, anti-circumvention inquiries have been extremely demanding as they present a wide range of complicated issues for which no body of precedent currently exists.

In FY 1992, Compliance completed the CVD investigation of softwood lumber from Canada, and issued a CVD order. The order covers the largest volume of trade of any case in Compliance, and involves the most complicated subsidy issues ever addressed by the agency. The conduct of the administrative review of this order, and the support of the Office of the Chief Counsel in the FTA panel proceedings will require an increased commitment of Compliance resources.

The Department is aggressively working to obtain a Multilateral Steel Agreement (MSA). If an MSA is achieved, it would include over 30 potential signatories. The MSA would provide for greater discipline on subsidies and the elimination of market access barriers for steel. As U.S. Secretariat to the MSA, Compliance, through its Office of Agreements Compliance (OAC), participates in MSA Parties Group deliberations. Issues include determining if signatories should be granted waivers from MSA disciplines, determining if the non-prohibited practices list should be modified, and reviewing non-signatory practices to determine if they are undermining MSA objectives and recommend appropriate action.

In addition, OAC would serve as focal point for notification of non-prohibited practices; review information provided by foreign governments and collected independently to determine if foreign practices are consistent with the MSA; and investigate industry claims of possible violations. For country-specific waivers, including quantitative restraints, OAC would ensure that the terms of each were met. In addition, if the U.S. becomes a signatory to the MSA, there will be consultations and meetings to ensure that industry concerns are met; to ensure that dispute settlement procedures are met; and to assist in all other proceedings under the MSA. The technical steel expertise developed within the Office of Agreements Compliance will be critical to the continued monitoring of the steel sector and administration of the international consensus.

Additionally, with the expiration of the VRAs, the Compliance staff has been critical in investigating and reviewing a wide range of steel products covered by the massive filing of AD/CVD steel petitions in FY 1992. In addition, Compliance will be responsible for administering any subsequent administrative reviews.

The U.S.-Japan Arrangement on Trade in Semiconductors and the antidumping suspension agreements on EPROMs and 256K (and above) DRAMs expired July 31, 1991. A new arrangement took effect on August 1, 1991. The new arrangement will last for five years with the option to terminate after three years by mutual agreement. The Compliance staff will face continuing activity in this area in the form of bilateral consultations three times a year and frequent interaction with individual counsel for Japanese firms on specific product monitoring issues.

In October 1992, the Department entered into ten-year AD suspension agreements imposing quantitative restraints on all forms of uranium from six former CIS countries (Kazakhstan, Kyrgzystan, Russia, Tajikistan, Ukraine, and Uzbekistan). The Department's responsibilities with respect to each of the agreements include: (1) reviewing documents to be supplied by Customs relating to all entries of uranium from all sources; (2) bi-annually calculating a market price in order to establish bi-annual quota for each country; (3) reviewing data supplied by each signatory government concerning sales of uranium in the home market, third country markets, and the U.S.; (4) at least annually, conducting verification of each countries' response and license/certificate program; and (5) consulting with each government upon request in order to resolve difficulties. In order to fulfill each of these responsibilities, OAC will require an increased commitment of resources.

The AD suspension agreement on Gray Portland Cement and Clinker from Venezuela took effect on February 27, 1992. The agreement states that the Department will issue prospective foreign market values (FMVs) on a calendar quarter schedule, and the FMVs will be based on constructed value information from the previous quarter. Activities in this program include analysis of data, calculation of FMV, verification of data and responding to comments from the interested parties every quarter. The

Department issues prospective preliminary quarterly FMVs and final quarterly FMVs. These producers cannot sell their products below the FMVs. Implementing this program requires an increased commitment of Compliance resources.

The machine tool VRAs with Japan and Taiwan were negotiated in 1986 in response to a finding regarding the impact of machine tool imports on national security. The Department is required to monitor total import levels, monitor shifts across product lines, prevent illegal transshipment through third countries, and prevent transactions involving fraudulent evasion of Agreement restrictions.

While machine tool VRAs expired December 31, 1991, President Bush decided that these agreements should be extended for two years. In addition to renegotiating and administering the VRAs with Japan and Taiwan, IA will continue to require significant resources for the machine tool program. A U.S.-Japan Cooperation Plan is also in effect, designed to encourage increased sales of U.S. machine tools and machine tool components to Japan and to Japanese transplants in the U.S., and other measures to revitalize the U.S. industry. As part of renegotiating the Machine tool VRAs, President Bush directed that the Cooperation Plan be extended. In addition, as part of monitoring activities, the industry's performance will be reviewed periodically, and consultations will be held with industry representatives.

Compliance also undertakes special assignments at the request of the Assistant Secretary and Deputy Assistant Secretary for Import Administration, such as providing staff support for the OECD Steel Committee and the Multilateral Steel Consensus negotiations. We will also participate in activities related to the internationalization of standards for the machine tool industry, along with the Intelligent Manufacturing Systems (IMS) and robotics initiatives.

- **Office of Policy:** The Office of Policy plays a key role in the continuing AD/CVD aspects of the GATT Uruguay Round multilateral trade negotiations. The Office of Policy will take the lead role in developing policy and regulatory guidance to implement any amendments to AD/CVD practice brought about by the Uruguay Round. With the development of trade relations with the former republics of the USSR and improving prospects for expanded trade with central and eastern European countries, the Office of Policy will face an increased workload in determining whether such countries continue to maintain non-market economies and how/whether the AD/CVD laws should be applied to them. Other significant activities of the Office will include: (1) analysis of proposed legislative amendments to the AD/CVD laws; (2) support to negotiations on shipbuilding and the industrial subsidies study in the OECD; (3) defense of U.S. AD/CVD decisions before the relevant GATT Committees and in consultations with affected foreign governments; (4) policy development and coordination for numerous anticipated AD/CVD case filings; and (5) technical advice on AD/CVD and subsidy issues in various bilateral and plurilateral trade initiatives with the countries of Latin America.

  The Office also manages Information Technology (IT) planning and activities and provides support to the other IA units in: case program development; IT equipment resources management; IT training; and database development and acquisition. Tailored programs are developed for respondents in each case to accurately and efficiently perform dumping and subsidy calculations. Since calculations are accomplished on both mainframe and microprocessors, careful attention must be paid to the allocation of equipment, as well as the proper selection of equipment and equipment types. The use of micro-and mainframe processors, software selection and application are the most effective ways to integrate information technology into AD/CVD case analysis. Special and general use databases such as exchange rates for the former and econometric models for the latter are examples of the large number of databases developed or acquired to assist Import Administration in supporting its analysis.

- **Office of Accounting:** The Office of Accounting is responsible for ensuring that IA uses acceptable and theoretically sound accounting and financial principles in administering the AD/CVD laws. In this role it works with all Offices in IA. The Office performs all the investigative aspects including on-site verifications related to the cost of production and the constructed value areas of AD investigations. The complexities of this area require expert knowledge in U.S. "generally accepted accounting principles" as well as foreign accounting practices. The Office also provides litigation support to the Office of the Chief Counsel. The expertise provided by the Office of Accounting applies to a large number of AD/CVD cases and litigative proceedings and supports the many other program and administrative aspects of IA.

Summary of Workload and Performance Data

Number of:	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Potential petitioners counselled	177	139	139
AD/CVD petitions processed	147	122	122
Antidumping investigations	93	83	83
Countervailing duty investigations	49	39	39
AD margins calculated	245	205	205
CVD rates calculated	124	195	195
AD margins per analyst	9.80	7.32	7.32
CVD rates per analyst	9.53	12.18	12.18
Cases requiring accounting support	104	204	204
Accounting cases per accountant	24.40	41.00	41.00
Administratiye protective orders	1285	1236	1280
AD orders issued during fiscal year	11	46	14
CVD orders issued during fiscal year	4	25	5
AD/CVD suspension agreements in effect and monitored	14	14	15
AD orders	249	295	309
CVD orders	73	98	103
Total administrative orders and agreements	336	407	427
Orders/agreements per analyst	4.36	5.29	5.55
Respondents per analyst (admin. reviews)	11.17	15.90	16.77
Respondents under review (admin. reviews)	860	1,224	1,291
Scope inquiries of AD orders	67	74	83
Requests for administrative reviews of AD/CVD orders & agreements	162	231	244
Completed administrative reviews of AD/CVD orders & agreements	210	156	136
Backlogged AD/CVD administrative reviews [1]	42	75	108

[1] Import Administration anticipates a steady increase in the number of backlogged AD/CVD administrative reviews due to the combined impact of: (a) the increase in the number and the complexity of recent and current AD/CVD duty investigations, which can be translated into a significant increase in the level of complex administrative reviews in the coming years; (b) the reallocation of FTE positions to ensure timely and quality completion of AD/CVD steel investigations; and (c) the increasing volume of judicial remands from the Court of International Trade as a direct result of IA's progress in reducing the backlog in previous years as well as anticipated litigation following completion of the steel investigations.

Special Import Programs - Included in this function are the Foreign Trade Zones (FTZ) Staff and Statutory Import Programs.

- Foreign Trade Zones Program - This program is administered by the Foreign Trade Zones (FTZ) Staff, which serves as the operational arm of the FTZ Board, an interagency body chaired by the Secretary of Commerce. The Board was established to license (grants of authority) and regulate Trade Zones (Customs Free Zones), under the FTZ Act of 1934 (19 USC 81) and the Board's regulations (15 CFR 400). Zones are sponsored by public or public type corporations, with some operated by private corporations under agreement with licenses. The Act's public utility requirement calls for reasonable and non-discriminatory rates.

  The number of zones and subzones has been increasing at an annual rate of over 10 percent. As of the end of 1992, there were 190 zones and 245 subzones. The volume of goods entering zones exceeded $100 billion in FY 1992. About 90 percent was shipped into subzones for manufacturing operations, 70 percent of which was auto industry related. The Board is required to review manufacturing in zones and subzones in terms of the public interest. In doing so it must carefully evaluate the net economic effect of proposed operations, considering such factors as: trade and tariff policy, import penetration, export development, sourcing patterns, and impact on domestic industry. Zone savings are designed to help improve the international competitiveness of U.S. firms. States and local communities use zones as an element of their economic development efforts. FTZ activity is monitored with continuing assessment of the net economic effect of manufacturing operations and compliance with grant restrictions.

  The FTZ Board's regulations underwent comprehensive revision during FY 1992, increasing administrative requirements for the FTZ Staff. The new regulations, published on October 8, 1991 (56 F.R. 50790-50808), contain specific criteria and procedures for reviewing manufacturing activity and subzone proposals, and provisions for monitoring ongoing zone activity to ensure public interest program objectives.

- Statutory Import Programs: This program is responsible for administering specific import laws. They include the Insular Watch Assembly Program authorized by P.L. 89-805 and P.L. 97-446; and the Educational Scientific and Cultural Materials Importation Act (Florence Agreement), authorized by P.L. 89-651. The insular Watch Assembly Program allocates the duty-exemption for watches imported into the United States from the Virgin Islands, Guam, American Samoa and the Northern Marinas Islands and issues special production incentive certificates authorized by P.L. 97-446; and the Florence Agreement Program determines whether scientific instruments imported into the United States by non-profit institutions qualify for duty-free entry. The staff also records and tabulates data on the duty-free entry of articles for the handicapped under Annex E(ii) of the Nairobi Protocol.

Summary of Workload and Performance Data

Foreign Trade Zones	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Number of:			
Applications processed for new zones	10	12	15
Applications processed for subzones	36	50	60
Applications processed for reorganization of zones	25	30	45
Monitoring and enforcement reviews	140	150	160
Modification/manufacturing reviews	130	130	130

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Controlled correspondence	725	730	750
Zones tariff schedule filings	85	85	90
Rule makings and interpretations	650	650	650
Hearings/conferences/meetings	120	100	100
Annual reports from zones processed	210	220	230
Statutory Import Programs			
Number of:			
Florence applications processed	199	200	200
No. watch duty-exemption allocations made and certificates issued	14	14	14
No. duty-free article for the handicapped entries monitored	2495	2500	2500

Exhibit 10

Department of Commerce
International Trade Administration
Operations and Administration
PROGRAM AND PERFORMANCE: DIRECT OBLIGATIONS
(Dollar amounts in thousands)

Activity: **International Trade**
Subactivity: **U.S. & Foreign Commercial Services**

		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ (Decrease)	
		Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount	Pers.	Amount
United States and Foreign Commercial Service											
Programs and Management	Pos./BA	147	18,568	121	18,266	121	18,479	121	18,479	0	0
	FTE/Obl.	130	18,310	118	18,433	118	18,479	118	18,479	0	0
Domestic Operations	Pos./BA	383	23,722	371	25,055	371	26,517	371	26,517	0	0
	FTE/Obl.	328	24,366	344	25,285	364	26,517	364	26,517	0	0
International Operations	Pos./BA	866	71,878	899	70,075	899	85,127	899	95,602	0	10,475
	FTE/Obl.	818	74,297	830	70,915	851	85,127	851	95,602	0	10,475
Direct Obligations	**Pos./BA**	**1,396**	**114,168**	**1,391**	**130,123**	**1,391**	**130,123**	**1,391**	**140,598**	**0**	**10,475**
	FTE/Obl.	**1,276**	**116,973**	**1,292**	**114,633**	**1,333**	**130,123**	**1,333**	**140,598**	**0**	**10,475**

Exhibit 12

JUSTIFICATION OF PROGRAM AND PERFORMANCE FOR
U.S. AND FOREIGN COMMERCIAL SERVICE

Goals and Objectives for FY 1994

Goals: The goal of this subactivity is to increase the level of American business participation in the international marketplace through programs and activities which facilitate and enable U.S. companies to take full advantage of export opportunities.

Objectives: US&FCS will assist in achieving these Department of Commerce subgoals by: providing accurate and timely information and counseling, as well as high quality trade facilitation services to small and medium sized firms with export interest and the capability to make a sustained commitment to exporting; supporting the efforts of firms that have started to export and assisting them to penetrate new overseas markets; and providing high-level advocacy/representational support overseas on behalf of all U.S. firms. The US&FCS also has as objectives: encouraging, supporting and strengthening activities by private sector, state, and local government export "multipliers"; and supporting the interests of other ITA, DOC and U.S. Government agencies in export-related matters.

Base Program

The initial phase of the ongoing US&FCS Strategic Review focused on identifying the needs of US&FCS business clientele. Their most important needs are identifying and qualifying agents, distributors, and end users; timely, product-specific market information; country-specific information about appropriate distribution channels; and export financing and payment considerations. Other important needs include market relevant trade events focused on firms with demonstrated export interest and capability and promotional exposure overseas through media such as the US&FCS product/service-promotion programs under Commercial News USA.

The Strategic Review recommended an overall client focus targeted to small and medium sized "infrequent exporters," firms with some very limited export experience or exporters seeking to enter a new overseas market, because this approach makes the most productive use of US&FCS resources. The principal vehicle for assisting these firms domestically is information and knowledge-intensive one-on-one export counseling. Overseas, the vehicles are the development of "market insight" information and advocacy efforts on behalf of American firms. US&FCS headquarters' focus is stronger program accountability (e.g., "product managers"), quality control for US&FCS products and services, and improved field support.

During 1992-3, US&FCS implemented broader industry coverage through a team approach to client support involving greater interaction by domestic and overseas US&FCS units. Programmatic changes implemented included more product-specific research (Industry Sub-Sector Analyses [ISAs]), qualitative improvements to the Customized Sales Survey (CSS), formerly known as Comparison Shopping Service and Agent Distributor Service (ADS), a major revision to the Trade Opportunities Program (TOP) to focus on high quality sales leads with high intent to purchase, a program of training and enhanced access to information to improve counseling and export financing support, and a shift in focus away from old-to-market oriented trade fairs to trade events which better meet the needs of the US&FCS target client base.

The US&FCS continued to implement its public-private partnership strategy, working with federal, state, and local government organizations involved in export promotion, chambers of commerce, and other private sector organizations domestically and overseas. During 1991-2, US&FCS revitalized its District Export Council (DEC) program to strengthen the contribution of DEC's to local export development efforts. This strategy allows partners to do more broad-based export promotion activities, while US&FCS concentrates on one-to-one export counseling. Strategic Review research (including surveys of business wants and needs) suggested that knowledge- and information-intensive counseling should be a primary focus for the US&FCS domestic efforts. The review also suggested that US&FCS capitalize on its existing authorities and practices in order to more fully integrate its domestic and overseas operations so as to provide more consistent and higher quality service to clients. Enhanced and increased information/market research for counseling purposes was made available to domestic field personnel, in part, through improved Commercial Information Management System (CIMS) delivery and the National Trade Data Bank (NTDB). The full scale implementation of new automation capabilities, including a redesigned CIMS system, began in earnest in 1992, with the installation of 103 US&FCS sites.

In addition, to further improve the productivity of its domestic counseling efforts, US&FCS developed an effective strategy to capitalize on the interest and abilities of export "multipliers". Through improved screening methods, US&FCS increased its ability to focus on firms best able to use its assistance. Other firms, with export interest but low export capability, were guided to alternative sources of business counseling including the Trade Information Center, Small Business Administration, etc.

The US&FCS also invested in its human capital, increasing opportunities for domestic trade specialists to serve in temporary overseas assignments and for Foreign Service Officers to serve in domestic assignments, and for joint training and interaction. These measures helped improve coordination between domestic and overseas export promotion operations.

To improve program and staff integration, the specialized training program for domestic professional staff, which originally concentrated on District Office trade specialists, was broadened to include trade specialists from US&FCS program offices in Washington. The US&FCS also continued a series of U.S.-based training programs for Foreign Service National (FSN) employees to enhance their knowledge and skills in priority areas identified in the Strategic Review, and to enhance their understanding of domestic field activities. US&FCS initiated comprehensive trade finance training for its staff, working closely with EX-IM Bank and other finance "partners."

Program and Management (PAM) -- In support of ITA subgoals, PAM manages programs which develop and disseminate overseas market research, provide U.S. firms with trade contact information and provide new-to-market firms with opportunities to showcase their products and services to foreign buyers. PAM directly supports the one-on-one in-depth counseling efforts of US&FCS domestic and foreign offices through activities which include: (1) office automation and information systems support; (2) management of US&FCS products and services including client evaluation on quality and effectiveness and feedback to the overseas posts and District Offices; (3) coordination of state/local government and private sector trade event and cooperative activities; and (4) management and administrative oversight of field activities. Collectively, these efforts assure timely, responsive, high-quality service to the business community and efficient field operations.

PAM activities focus on priority export assistance needs of U.S. business identified in the US&FCS Strategic Review. PAM continued implementation of the revamped Commercial Information Management System (CIMS) which provides effective office automation support and a means of delivery for various US&FCS information and contact services. In 1992, CIMS was installed at 66 district offices and 37 overseas posts. An additional 104 overseas posts are being completed in 1993, including 7 NIS sites, completing the system.

Recognizing the need of U.S. companies for more specific information on overseas market opportunities, PAM improved the quality, quantity, and accessibility of information for exporters. Availability of an improved Customized Sales Survey, which allows a company to answer key questions regarding such matters as distribution channels, potential end-users, trade barriers, and price competitiveness of U.S. products, was expanded to all US&FCS locations, including Japan.

During 1992 and 1993, the amount of overseas market research expanded as posts focused on Industry Sub-Sector Analyses. An enhanced "Best Markets" report was developed to enable US&FCS trade specialists to better identify and prioritize foreign markets with the highest potential for specific U.S. products. In addition, the scope of information was significantly extended to include more overseas officer reports on fast-breaking commercial developments/opportunities (International Market Insights), information on trade finance requirements of various countries; State Department Commercial Activity Reports (CAR) and Economic and Trade Practices Reports; and Labor Department Reports. Time-sensitive International Market Insights (IMI's) are now distributed through the Economic Bulletin Board, managed by the Economic and Statistics Administration, which complements the NTDB and CIMS.

PAM also has improved products such as the Agent/Distributor Service (ADS) and World Trader Data Reports (WTDR) which provide U.S. firms with information to identify and evaluate potential overseas agents and distributors. Product improvement extended to the Trade Opportunity Program which now emphasizes high quality, product specific leads, representing genuine intent to purchase. Dissemination of these leads has been expanded to include more states, private entities and other multiplier organizations. PAM also assists firms to market products and services overseas through Commercial News USA (CNUSA) Programs. Each issue of Commercial News USA reaches more than 125,000 potential foreign buyers, agents and distributors; CNUSA electronic bulletin board versions available in 31 countries overseas reach an additional 650,000. CNUSA is particularly effective for small firms.

Working with US&FCS and Department of State posts, other USG agencies, and state/local export promotion entities, PAM develops, coordinates and supports a host of carefully-focused overseas trade promotion activities. These activities include trade, seminar, "Matchmaker," and certified trade missions (i.e., State or Industry-Organized Government Approved (S/IOGA) missions); catalog and video catalog exhibitions; USG-sponsored trade fairs and exhibitions; and U.S. Pavilions at major international trade fairs. The "Matchmaker" delegation, in particular, is a cost-effective overseas promotion technique which brings relatively large groups of U.S. business persons representing NTE/NTM firms (mainly small business) into direct contact with potential agents, distributors, licensees, franchisees and joint venture partners. Also in 1992, a new "Special Events" program was initiated to step up efforts to bring more infrequent exporters into overseas trade events through a variety of innovative activities focused on special market opportunities.

In addition, PAM encourages private sector sponsorship of leading overseas and domestic trade shows through two activities: the Trade Fair Certification Program and the Foreign Buyer Program. Certified trade show organizers provide U.S. firms at selected overseas trade fairs with support services such as overseas promotion, translation, exhibit design, business facilities, shipping and customs assistance. Shows are promoted through the network of US&FCS and State Department posts overseas and US&FCS district offices throughout the United States. Whereas the focus of the Certification Program is on overseas events, the Foreign Buyer Program (FBP) supports private sector trade promotion efforts domestically. Working closely with organizers of leading U.S. trade shows and the American companies participating in these shows, the US&FCS promotes attendance of foreign buyers. U.S. companies' products, international marketing objectives, and regions of interest are identified and promoted with the intent of matching them with interested foreign buyers.

PAM is also responsible for the management and administration of US&FCS activities including executive direction, program evaluation, training programs, overseas security, inter-departmental cost sharing agreements such as Foreign Affairs Administrative Support (FAAS), and overall resource allocation and planning which leads to integrated, US&FCS-wide field operations support.

Domestic Operations (DO) -- The District Offices are the primary providers of one-on-one counseling to targeted infrequent exporters and delivers trade facilitation programs of the International Trade Administration directly to the U.S. business community.

Today, district office resources and programs are more focussed and significantly more productive through a series of management initiatives. In 1992, the Management Planning and Performance Appraisal System was redesigned to insure that individual employee performance plans are consistent with the new

US&FCS strategic focus. Also, a new planning document -- the "District Marketing Plan"-- was created. This management tool, similar in concept to the overseas Country Marketing Plan, tailors the activities of each District Office to the specific export assistance needs of local industry. It serves as a roadmap for a wide variety of District Office activities, ranging from value-added counseling to country-focused seminars, and sets forth a specific action plan for developing the export infrastructure of the district, drawing on the skills and capabilities of our public and private sector partners.

In addition, a simple pre-screening system allows District Offices to make more productive use of trade specialists. This tool quickly assesses a firm's export interest and capability. If a firm is not export ready, a process is in place to refer the firm to a qualified source of basic business assistance. This approach lets District Offices focus on the firms which can take best advantage of US&FCS counseling assistance. In many instances, this counseling results in the joint development of an export assistance plan (EAP). This business plan, which the company develops, commits its resources and management to a carefully considered export expansion program.

Timely and accurate information on trade finance is an increasingly critical part of the export expansion program. The Export Enhancement Act of 1992 identifies the US&FCS field offices as "one-stop-shops for United States exporters." It further states that U.S. exporters should be provided "information on all export promotion and export finance activities of the federal government, assistance in identifying which federal programs maybe of greatest assistance, and (assistance) in making contact with the federal programs identifed." In implementing the provisions of the Act, the US&FCS Domestic Offices are making special efforts to connect exporters with the financing and insurance programs of the EximBank of the U.S., OPIC, the Trade and Development Program, and SBA.

Trade specialists use a wide variety of information and services from both private and public sector sources to help firms evaluate new overseas markets and take advantage of specific foreign trade and investment opportunities. A world-wide cable/telex network, coupled with automated information data bases, including CIMS and the CD-ROM based National Trade Data Bank, are the primary tools in this process-- CIMS has been installed in each district office.

To improve field responsiveness and coordination, in 1993, Domestic Operations completed the realignment of the regional structure into 5 regions. Field administrative responsibilities were delegated to the Regional Directors who now focus on regional management. Atlanta, GA, and Philadelphia, PA, became Regional Offices, consolidating responsibilities previously managed in Birmingham, AL, Greensboro, NC, and Hartford, CT.

In 1991, the Office of Public and Private Programs was established. The objective of this office is to work proactively with appropriate trade development partners such as state trade development offices, chambers of commerce, world trade associations, and local business development groups to increase awareness of export development resources and to build local Export Assistance Networks through partnerships.

The Office of Public and Private Programs is the US&FCS principal contact with the National Association of State Development Agencies, the National Governors Association, and the National League of Cities to develop and maintain relationships that avoid duplication of efforts and strengthen local export promotion efforts. The office also supports the nationwide network of District Export Councils (DECs). The DECs continue to serve as a primary partner of the US&FCS. This office also serves as a liaison with other units within the Department and with other agencies, such as EX-IM Bank and SBA.

In conjunction with the Regional Directors, the headquarters staff oversee the allocation of resources, both personnel and financial, using an improved resource allocation matrix based on export potential to help guide the process. The headquarters staff develop operations policies and procedures and monitor program implementation and quality control.

Since 1992, the staff have also been responsible for leased property and facilities management for field offices. The staff also coordinate local and national recognition of sustained, successful exporters and service organizations through the President's "E" and "E Star" Awards for Excellence in Exporting.

International Operations (IO) -- The overseas offices support Departmental subgoals to "expand overseas markets for U.S. goods and services," "increase U.S. exports in each of the next four years," and "strengthen intellectual property rights protection." The overseas offices, located in 59 countries at the beginning of 1994, were established with the explicit goal of implementing Department of Commerce programs abroad to inform, advise, and support U.S. business marketing efforts. During FY 1993, the US&FCS expanded its presence in Moscow and opened or expanded its presence in St. Peterburg, Vladivostok, Kiev, Tashkent and Alma Ata, with plans for Nizhij Novgorod, Khabarovsk, and Tyumen. At seven of these sites, US&FCS opened American Business Centers using funds transferred to it by U.S. AID under terms of the Export Enhancement Act. To concentrate our resources more effectively in the highest-opportunity markets, during FY 1993 the US&FCS will have withdrawn from Barbados, Cameroon, Jamaica, Trinidad and Tobago, and seven other countries with relatively low export potential.

Commercial officers and FSNs are responsible for developing and analyzing information on foreign markets and representing U.S. business interests abroad. The Strategic Review emphasized the critical role overseas posts play in: (1) identifying trade opportunities abroad for U.S. products; (2) identifying representatives or agents for U.S. firms; (3) providing market research and analysis on trade policy issues; (4) advocating U.S. business' interest in transactions involving government purchases; (5) organizing and managing U.S. trade promotional events; and (6) counseling U.S. business.

US&FCS offices facilitate the efforts of U.S. firms to find potential overseas agents, distributors or representatives for U.S. firms, prepare World Trade Data Reports providing background and financial information on firms with which American companies wish to do business; publish and distribute newsletters which identify new U.S. products and American companies seeking agents abroad; and conduct extensive market research on best prospects for U.S. goods and services. Much of this market information is included in CIMS/NTDB, which allows wide distribution to U.S. companies.

In addition, US&FCS officers and local national employees are responsible for identifying major projects in their host countries and alerting U.S. firms to these opportunities. US&FCS officers in many countries represent the interests of other U.S. Government agencies abroad, i.e., OPIC, Eximbank, U.S. Trade Representative (USTR), Trade and Development Program, National Oceanic and Atmospheric Administration (NOAA -- fishery export promotion includes full-time positions in Tokyo and Brussels), Bureau of Export Administration (BXA), U.S. Travel and Tourism Administration (USTTA) and other U.S. Government agencies. US&FCS officers monitor Multilateral Trade Negotiations (MTN) implementation and report on foreign government legislative and regulative measures, procurement practices, and bidding and certifying procedures which affect U.S. trade in the host country, including the protection of intellectual property rights. Also, under the Export Enhancement Act, overseas offices, serve as "one stop-shops" for U.S. firms seeking information on USG trade finance programs.

US&FCS officers provide analyses and reports on local industry and commodity developments which have a bearing on the U.S. competitive position, as well as assessments of foreign competition. Officers prepare an annual Country Marketing Plan (CMP) which includes a core of key programs available in all posts. In addition, the CMP sets forth the marketing strategies with a mix of policy initiatives, trade promotion techniques, and export development programs. The CMP establishes the post's work priorities and was revised in FY 1991 to reflect the findings of the Strategic Review. Quarterly statistical reports cover the specific activities of each post and the services rendered to support the marketing objectives of the U.S. business community.

Efforts overseas are directed toward helping infrequent exporters, i.e., firms with some limited export experience or exporting firms seeking to enter new markets, find suitable representation abroad, providing market counseling and initiating business and government contacts on their behalf.

For the more experienced exporter, the post identifies and disseminates specific new trade opportunities developed in the field, furthers their ongoing market objectives, and encourages their participation in a variety of post-initiated events (trade fairs, trade missions, and catalog shows). US&FCS officers also intercede on behalf of U.S. firms experiencing payment delays or which are involved in business disputes. US&FCS officers also work closely with American Chambers of Commerce and other U.S. business groups overseas, as well as other agencies in U.S. missions, such as the Foreign Agricultural Service, in promoting U.S. sales abroad.

The Office of Foreign Service Personnel is responsible for building a highly motivated, well-trained corps of commercially-oriented career officers. These officers are selected through a rigorous assessment process. Candidates are tested for their commercial, trade and management experience, as well as their intercultural and language skills. Entry and mid-level training of officers, processing of assignments, language training and training programs for FSNs are also the responsibility of this office.

The International Operations staff in Washington manages overseas field operations; directs implementation of the CMPs, including the determination of levels of financial and personnel resources required, based on the overseas resource allocation model; monitors program implementation overseas, including trade event recruitment, planning, budgeting, and logistical support; appraises the performance of senior commercial officers; organizes regional management conferences; develops techniques and strategies to further U.S. commercial objectives; and advances U.S. exporter interests in inter-agency venues. The staff operate an "early warning" system to notify U.S. business of major projects overseas funded by multilateral development banks.

Summary of Workload and Performance Data

	FY 1992 Actual	FY 1993 Estimates	FY 1994 Estimate
Entries into new markets*	2,785	2,925	3,100
Firms first exporting			
Trade facilitation session, domestic and overseas	481	525	600
Domestic facilitation sessions	60,000	63,000	72,300
Overseas trade facilitation sessions	128,268	128,500	155,000
Domestic Industry-specific conferences	NA	NA	20
Post initiated overseas promotional events	640	640	805
Overseas trade promotion events held	355	310	280
Participants in DOC overseas promotion events	5,210	5,210	5,370
Trade leads from overseas promotion events	169,440	170,000	170,000
Certified Trade Missions supported**	41	50	97
Other state/local government/industry missions supported***	180	180	10
Certified events held	43	45	75
Foreign Buyer Program (FBP) events held	18	22	22

	FY 1992 Actual	FY 1993 Estimates	FY 1994 Estimate
U.S. firms assisted through FBP participation	4,152	5,500	5,500
Infrequent exporters assisted through CNUSA	1,680	1,700	2,900
Infrequent exporters assisted through Regular Catalog Shows	1,100	1,100	1,200
Agent Distributor reports provided****	4,174	4,000	3,750
World trade Data Report provided	2,471	2,500	2,230
Market insight reports	1,100	1,100	1,385
CIMS NTDS retrievals			
Client Database Updates	22,000	22,000	44,000
NTDB Accesses	44,000	44,000	44,000
E-mail messages	110,000	110,000	110,000
Industry-subsector analysis	964	1,000	1,290

* Some firms are counted more than once.

** Formerly S/IOGA program.

*** In 1993 the US&FCS posts were instructed to discontinue support for non-certified trade missions.

Some of these missions will convert to certified trade missions, non-business oriented missions will not.

**** Price changes in 1992 and 1993 are expected to decrease demand temporarily.

Exhibit 13

Department of Commerce
INCREASE FOR FY 1994
Overseas Purchasing Power
(Dollar amounts in thousands)

		1994 Base		1994 Estimate		Increase	
		Pers.	Amount	Pers.	Amount	Pers.	Amount
International Operations	Pos./Ba	899	85,127	899	95,602	0	10,475
	FTE/Obl.	851	85,127	851	95,602	0	10,475

Overseas Purchasing Power (+0 FTE, +$10,475,000)- This increase for International Operations supports the Department's goal of increasing exports of U.S. goods and services. It augments field support for U.S. exports that has eroded due to unbudgeted increases in overseas costs.

Overseas field support objectives established by the Administration and the Congress are not being met due to these unbudgeted cost increases. This increase, combined with a related Adjustment to Base totaling $5,094,000 (described seperately), will result in higher exports as US&FCS strengthens its overseas capability to satisfy a greater proportion of the demand for our services.

The administration and the Congress have agreed to increases in overseas support for U.S. exporters in each budget from 1989 through 1992. However, because foreign prices for labor and goods have risen faster than funding and related base adjustments, the US&FCS has been prevented from increasing services and staff overseas to agreed-upon levels. This has had a serious impact on operations worldwide, preventing adequate officer and FSN staffing in several key growth markets, and restricting direct program support funds to the extent that existing staff have difficulty providing the level of support U.S. exporters require. In several countries, the Senior Commercial Officer positions has been left vacant for many months, in some cases for over a year (New Zealand, Peru, Ecuador, Costa Rica).

Local prices for goods which support US&FCS operations overseas are also rising. In 1993, residential and office leases/rents were $900,000 higher than requested in the President's Budget, cutting sharply into critically needed purchases of capital items, telecommunications, and training. In prior years, US&FCS pre-funded one-quarter of its annual overseas rent costs; however, in 1993, the cumulative effect of the erosion in purchasing power made this practice impossible. As a result, starting in 1993 US&FCS was forced to fund its full-year rent requirement, impacting significantly on direct program support funds. By the start of 1994, over 40 vehicles in US&FCS' inventory will exceed GSA standards for retirement. Furniture and equipment purchases fell far behind established replenishment cycles, increasing short-term costs for maintenance and repair. To accommodate pared down budgets, posts could no longer respond to business inquiries via telephone or FAX. Also, starting in late 1992, US&FCS was forced to eliminate or curtail funding for some of its important human capital investments: Mid-Level Officers Course, consultations for officers on home leave, language training for spouses, and program personnel exchanges. Most of these activities have been curtailed in 1993 as well.

Other Foreign Service agencies are experiencing difficulty with foreign price rises in relation to their overall resources. In the case of the Department of State, which provides Foreign Affairs Administrative Support (FAAS) for US&FCS operations abroad, its shortfall was reallocated to other agencies by redefining the number of positions covered under FAAS. In 1993 US&FCS paid in excess of $2,000,000 more than anticipated. For 1994 the FAAS estimate is sharply higher. Assuming the full base adjustment requested is provided, the FY 94 Base funding level will contain $11,000,000 for FAAS.

To determine the extent of funds lost as a result of overseas purchasing power erosion, a wage and price adjustment was calculated to determine losses for the period 1989-92. The actual loss was calculated using US&FCS Operational Budget and Department-prescribed methodology. Forecasted figures (originally obtained from DRI, Inc.) were replaced with actual economic data in the calculations. Specifically, the individual expense categories for FSN salaries, allowances, and other objects were converted into constant dollar terms. The individual country figures were aggregated and the percentage change was calculated on an annual basis. This percentage represents the change in US&FCS expenses based upon local economic conditions and was applied to the actual appropriations for both the base and adjustments. The resulting figure was subtracted from the original total of available appropriated funds to determine the shortfall. This shortfall was then converted into 1994 dollars using Department of State estimates for 1993 and 1994 inflationary increases.

This increase will pay significant short-run and long-term dividends to the U.S. economy in the form of an increase in the quantity of U.S. exports and the number of U.S. exporters to the world as a whole. By augmenting US&FCS staff and pruchasing power, US&FCS will be better positioned to support U.S. exporters in a timely aggresive fashion as intended by the Admnistration and Congress.

Performance Measures:

	1994	**1995**	**1996**	**1997**	**1998**
Overseas trade facilitation sessions	10,500	12,000	12,000	12,000	12,000
Post initiated overseas promotional events	65	90	90	90	90
World Trade Data Reports provided	210	250	250	250	250
Market Insight Report	90	110	110	110	110
Industry Sector Analyses	80	95	95	95	95

Cost and Benefits:

	1994	**1995**	**1996**	**1997**	**1998**
Direct obligations					
Capitalized	2,500	2,200	2,200	2,200	2,200
Uncapitalized	22,668	7,975	8,275	8,275	8,275
Total	10,475	10,475	10,475	10,475	10,475
Budget Authority	10,475	10,475	10,475	10,475	10,475
Outlays	7,385	9,449	10,475	10,475	10,475
FTE	0	0	0	0	0

Exhibit 14

Department of Commerce
International Trade Administration
Operations and Administration

PROGRAM CHANGE PERSONNEL DETAIL

(Dollar amounts in thousands)

Activity: **United States and Foreign Commercial Service**
Subactivity: **International Operations**
Program Change: **Overseas Purchasing Power**

Title:	Grade	Number	Annual Salary	Total Salaries
Foreign Commercial Service Officer	FS-1	8	$66,610	$532,880
Total		**8**		**532,880**
Less Lapse (25.00%)		2		133,220
Total full-time permanent:		**6**		**399,660**
Total U.S. employees		**6**		**399,660**
Foreign Service National	Ungraded	20	39,000	780,000
Less lapse (lapse 25.00%)		5		195,000
Total Foreign Service National		**15**		**585,000**
Total		**21***		**984,660**
Funded from base		21		0
Total		**0**		**984,660**
Personal Data:				
Full-time Equivalent Employment:				
Full-time permanent		21		
Other than full-time permanent		0		
Total		**21**		

	Grade	Number	Annual Salary	Total Salaries
Authorized Positions:		28		
Full-time permanent		0		
Total		28		

* No additional FTE or positions are being requested these positions are already included in the FY 1994 authorized level.

Exhibit 15

Department of Commerce
International Trade Administration
Operations and Administration

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollar amounts in thousands)

Activity: United States and Foreign Commercial Service
Subactivity: International Operations
Program Change: Overseas Purchasing Power

Object class		FY 1994 Increase
11	Personnel compensation	
11.1	Full-time permanent	985
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	**Total personnel compensation**	985*
12.1	Civilian personnel benefits	433
13.0	Benefits for former personnel	0
21	Travel and transportation of persons	500
22	Transportation of things	1,100
23.1	Rental payments to GSA	0
23.2	Rental payments to others	1,900
23.3	Communications, utilities and miscellaneous charges	1,200
24	Printing and reproduction	0
25	Other services	1,557
26	Supplies and materials	300
31	Equipment	2,500
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Direct obligations**	10,475

* Funds unfunded authorized positions

Exhibit 16

Department of Commerce
International Trade Administration
Operations and Administration
SUMMARY OF REQUIREMENTS BY OBJECT CLASS
(Direct obligations in thousands)

Object Class		1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel compensation					
11.1	Full-time permanent	93,720	98,681	103,928	104,913	985
11.3	Other than full-time permanent	4,892	3,967	4,006	4,006	0
11.5	Other personnel compensation	2,288	2,061	2,061	2,061	0
11.8	Special personnel services payments	64	100	100	100	0
11.9	Total personnel compensation	100,964	104,809	110,095	111,080	985
12.1	Civilian personnel benefits	22,325	21,351	23,523	29,956	433
13	Benefits for former personnel	195	400	400	400	0
21	Travel and transportation of persons	4,947	7,100	7,241	8,171	930
22	Transportation of things	980	742	780	1,950	1,170
23.1	Rental payments to GSA	11,723	11,729	12,081	12,401	320
23.2	Rental payments to others	4,936	4,313	4,970	6,870	1,900
23.3	Communications, utilities & miscellaneous charges	6,753	6,418	6,850	8,140	1,290
24	Printing and reproduction	1,964	3,011	3,133	3,273	140
25.1	Consulting Services	648	236	53	53	0
25.2	Other services	32,300	32,087	37,068	40,776	3,708
26	Supplies and materials	1,911	2,445	2,629	3,094	465
31	Equipment	5,704	8,764	8,898	11,581	2,683
32	Lands and structures	0	0	0	0	0
33	Investments and loans	0	0	0	0	0
41	Grants, subsidies and contributions	14,433	15,947	9,948	14,548	4,600
42	Insurance claims and indemnities	71	20	20	20	0
43	Interest and dividends	22	20	20	20	0
44	Refunds	48	0	0	0	0
92	Undistributed	246	0	0	0	0
99	Total Obligations	210,170	219,392	227,709	246,333	18,624

Exhibit 16 (continued)

Department of Commerce
International Trade Administration
Operations and Administration

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Direct obligations in thousands)

Personnel Data	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ (Decrease)
Full-time Equivalent Employment:					
Full-time permanent	2,086	2,191	2,238	2,238	0
Other than full-time permanent	115	120	120	120	0
Total	2,201	2,311	2,358	2,358	0
Authorized Positions:					
Full-time permanent	2,521	2,575	2,575	2,878	0
Other than full-time permanent	75	75	75	75	0
Total	2,596	2,650	2,650	2,650	0

Exh.

Department of Commerce
International Trade Administration
Operations and Administration

DETAILED REQUIREMENTS BY OBJECT CLASS

(Dollar amounts in thousands)

		1993 Currently Budget	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
11	Personnel Compensation					
11.1	Full-time Permanent					
	Executive level	585	0	585	585	0
	Senior executive	4,496	0	4,496	4,496	0
	General schedule	61,416	2,285	63,701	63,701	0
	Senior foreign service	2,796	0	2,796	2,796	0
	Foreigns service staff	11,276	454	11,730	12,130	400
	Foreign service nationals	18,112	2,508	20,620	21,205	585
	Subtotal	98,681	5,247	103,928	104,913	985
11.3	Other than full-time permanent					
	General schedule	3,967	39	4,006	4,006	0
	Experts and consultants	0	0	0	0	0
	Subtotal	3,967	39	4,006	4,006	0
11.5	Other personnel compensation					
	Overtime	1,380	0	1,380	1,380	0
	Cash awards	681	0	681	681	0
	Subtotal	2,061	0	2,061	2,061	0
11.8	Special personnel service payments					
	Foreign service officers (State)	100	0	100	100	0
	Other	0	0	0	0	0
	Subtotal	100	0	100	100	0
11.9	Total personnel compensation	104,809	5,286	110,095	111,080	985
12.1	Civilian personnel benefits					
	Civil service retirement	3,389	(146)	3,243	3,243	0
	Federal employees' retirement	4,535	661	5,196	5,292	96
	Thrift savings plan	998	97	1,095	1,103	8
	Federal insurance contribution act	3,419	353	3,772	3,803	31
	Health insurance	2,957	301	3,258	3,267	9
	Life insurance	189	5	194	195	1
	Employees' compensation fund	442	122	564	564	0
	Other	5,422	779	6,201	6,489	288
	Subtotal	21,351	2,172	23,523	23,956	433

		1993 Currently Budget	1994 Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
13	Benefits for former personnel					
	Severance pay	400	0	400	400	0
	Unemployment compensation	0	0	0	0	0
	Subtotal	400	0	400	400	0
	Common carrier	3,298	65	3,363	3,599	236
	Milage	178	0	178	184	6
	Per diem/actual	2,309	76	2,385	2,536	151
	Vehicular	31	0	31	31	0
	Other	1,284	0	1,284	1,821	537
	[Overseas estimates]	[790]	[112]	[902]	[1,402]	[500]
	Subtotal	7,100	141	7,241	8,171	930
22	Transportation of things	742	38	780	1,950	1,170
	[Overseas estimates]	[180]	[38]	[218]	[1,318]	[1,100]
23.1	Rental payments to GSA	11,729	352	12,081	12,401	320
				0	0	
23.2	Rental payments to others	4,313	657	4,970	6,870	1,900
23.3	Communications, utilities and miscellaneous charges					
	Rental of ADP Equipment	203	0	203	203	0
	Rental of office copying equipment	300	25	325	325	0
	Other equipment rental	604	50	654	704	50
	Federal telecommunications system	578	0	578	624	46
	Other telecommunications services	1,875	113	1,988	2,988	1,000
	Postal services by USPS	1,613	0	1,613	1,653	40
	Other	1,245	244	1,489	1,643	154
	[Overseas estimates]	[2,452]	[319]	[2,771]	[3,971]	[1,200]
	Subtotal	6,418	432	6,850	8,140	1,290
24	Printing and reproduction					
	Publications	780	20	800	816	16
	Public use forms	55		55	55	0
	Envelopes	17	0	17	17	0
	Other	2,159	102	2,261	2,385	124

		1993 Currently Budget	Adjustments to Base	1994 Base	1994 Estimate	Increase/ (Decrease)
	[Payments to GA, WCF]	[1,749]	[0]	[1,749]	[1,749]	[0]
	[Overseas estimates]	[175]	[25]	[200]	[200]	[0]
	Subtotal	3,011	122	3,133	3,273	140
25.1	Consulting services	236	0	53	53	
25.2	Other services					
	Training					
	University	126	0	126	126	0
	Office of Personnel Management	60	0	60	60	0
	Other	893	0	893	893	0
	Maintenance of equipment	695	50	745	762	17
	GSA reimbursable services	152	0	152	152	0
	Payments to GA, WCF	10,746	1,086	11,832	12,452	620
	Other non-governmental contracts	612	34	646	646	0
	Representation	321	0	321	361	40
	Other	13,124	9,169	22,293	25,324	3,031
	[Overseas estimates]	[2,700]	[1,284]	[11,953]	[12,243]	[257]
	Subtotal	26,729	10,339	37,068	40,776	3,708
26	Supplies and materials					
	Office supplies	850	70	920	1,112	192
	ADP supplies	580	40	620	641	21
	Other	1,015	74	1,089	1,341	252
	[Overseas estimates]	[744]	[108]	[852]	[1,152]	[300]
	Subtotal	2,445	184	2,629	3,094	465
31	Equipment					
	Office machines and equipment	2,764	134	2,898	4,598	1,700
	ADP hardware	5,344	0	5,344	5,492	148
	ADP software	502	0	502	537	35
	Other	154	0	154	954	800
	[Overseas estimates]	[878]	[134]	[1,012]	[3,512]	[2,500]
	Subtotal	8,764	134	8,898	11,581	2,683
				0	0	
32	Lands and structures	0	0	0	0	0
33	Investments	0	0	0	0	0
41	Grants, subsidies and contributions	15,947	[5,999]	9,948	14,548	4,600
42	Insurance claims and indemnities	20		20	20	0
43	Interest and dividends	20	0	20	20	0
44	Refunds	0	0	0	0	0
99	**Total Obligations**	213,851	13,858	227,709	245,333	18,624

Exhi.

Appropriation Language and Code Citations:

1. "For necessary expenses for international trade activities of the Department of Commerce;"

15 U.S.C. 649b
15 U.S.C. 1501 et seq.
15 U.S.C. 1871
15 U.S.C. 4001 et seq.
15 U.S.C. 4011 et seq.
19 U.S.C. 81a et seq.
19 U.S.C. 1202
19 U.S.C. 1202 nt.
19 U.S.C. 1303
19 U.S.C. 1671 et seq.
19 U.S.C. 1673 et seq.
19 U.S.C. 2031
19 U.S.C. 2155
19 U.S.C. 2354
19 U.S.C. 2411 et seq.
22 U.S.C. 3901 et seq.
22 U.S.C. 2451 et seq.
22 U.S.C. 2651 et seq.
22 U.S.C. 3101 et seq.

15 U.S.C. 649b authorizes the Secretary of Commerce to award grants (including contracts and cooperative agreements) to encourage the development and implementation of small business international marketing programs.

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of ITA which promote an improved trade posture for United States industry.

15 U.S.C. 1871 provides the authority for an annual, comprehensive assessment of the state of the automobile industry and its interaction in an integrated economy.

15 U.S.C. 4001 et seq., 4011 et seq. (Export Trading Company Act of 1982) requires the establishment of an antitrust certification program and the promotion of export trading companies.

19 U.S.C. 81a et seq. establishes the Foreign-Trade Zones Board and designates the Secretary of Commerce as chairman and executive officer of the Board.

19 U.S.C. 1202 general note provides the Department of Commerce with the authority to develop, maintain, and publish a list of bona fide motor-vehicle manufacturers.

19 U.S.C. 1202 notes provides authority for two import control programs, the Watch Quota program and the Florence Agreement program.

19 U.S.C. 1303 authorizes the investigation as to whether a foreign government has paid or is paying a bounty or grant upon the manufacture, production, or export of merchandise imported into the United States, and if so, requires the determination and imposition of countervailing duties upon such merchandise. This section is limited to merchandise from a country not covered by the Agreement on Subsidies and Countervailing Measures or from a country which has not assumed obligations similar to those contained in such Agreement.

19 U.S.C. 1671 et seq. authorizes the investigation as to whether a foreign government has paid or pays a subsidy upon the manufacture, production, or export of merchandise imported into the United States, and if the International Trade Commission finds requisite injury, requires the determination and imposition of countervailing duties upon such merchandise. This section applies to merchandise from countries covered by the Agreement on Subsidies and Countervailing Measures or from countries which have assumed obligations similar to those contained in the Agreement.

19 U.S.C. 1673 et seq. authorizes the investigations as to whether foreign merchandise is, or is likely to be, sold in the United States at less than fair value and, if so, and if the International Trade Commission finds requisite injury, requires the determination and imposition of antidumping duties upon such merchandise.

19 U.S.C. 2031 provides the authority to promulgate rules and regulations pertaining thereto under the Automotive Products Trade Act of 1965 (19 U.S.C. 2001 et seq.).

19 U.S.C. 2155 authorizes the President to organize through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, general policy advisory committees composed of representatives of all industry, labor, agricultural, service, investment, defense, and other interests

19 U.S.C. 2155 also authorizes the President to organize, through the U.S. Trade Representative and the Secretaries of Commerce, Labor, Agriculture, the Treasury, or other executive departments, as appropriate, sectoral or functional advisory committees composed of representatives from industry, labor, agriculture, and services. These committees provide policy and technical advice on international trade negotiating objectives and bargaining positions, the operation of trade agreements, and with respect to other matters involving the development, implementation, and administration of U.S. trade policy.

19 U.S.C. 2354 requires the Bureau of Industrial Economics to prepare studies, reports, and information activities for the Secretary of Commerce in response to investigations and findings of the International Trade Commission under 2252 of Title 19 to determine eligibility for adjustment assistance, except that reports to be submitted to the President shall be issued by the Secretary, and responsibility for assistance in preparation and processing of petitions and applications under Subsection 264 (c) shall be vested in the Assistant Secretary for Economic Development.

19 U.S.C. 2411 et seq. provides procedures for determinations and actions to be taken to enforce the rights of the United States under any trade agreement, or to respond to any act, policy, or practice of a foreign country that is inconsistent with the provisions or any trade agreement, that burdens or restricts United States commerce.

22 U.S.C. 3901 et seq., the Foreign Service Act of 1980 consolidated and revised the laws relating to the Administration and operations of the Foreign Service of the United States. Under Reorganization Plan No. 3 of 1979 and Executive Order 12188, the Secretary was authorized to establish and administer the Foreign Commercial Service and to utilize therefore the authorities of the Foreign Service Act.

22 U.S.C. 2451 et seq. authorizes the President to provide for U.S. participation in international fairs and expositions, including trade and industrial fairs and other public or private demonstrations of U.S. economic accomplishments. ITA provides a wide range of trade exhibitions overseas.

22 U.S.C. 2651 et seq. establishes the Department of State and provides authority for a number of overseas operations. Reorganization Plan No. 3 of 1979 and Executive Order 12188 authorize the utilization of certain of these authorities in connection with the operation of the Foreign Commercial Service.

22 U.S.C. 3101 et seq. authorizes the President to conduct surveys and studies of both United States direct investment abroad as well as foreign direct and portfolio investment in the United States. ITA monitors, analyzes, and reports to Congress on specific aspects of international investment which may have significant implications for the economic welfare and national security of the United States.

40 U.S.C. 512 provides authority for the administration of the Foreign Excess Property program.

2. "Including trade promotional activities abroad without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703;

No Specific Authority

44 U.S.C. 3702 specifies that an executive department may not publish or pay for advertisements without written authority from the head of that department.

The nature of ITA's overseas exhibition program requires maximum flexibility in advertising requirements since exhibitions may be changed, added, or canceled. When such changes take place, advertisements must be placed as soon as possible to inform the local business community. This exception from 44 U.S.C. 3702 will provide the flexibility which is required to effectively advertise for these exhibitions.

44 U.S.C. 3703 stipulates that prices paid for advertising may not exceed the commercial rates charged to provide individuals, with the usual discounts.

Since the United States Government does not have sovereign status in other countries and is charged commercial rates without the discounts required by 44 U.S.C. 3703, this exception is necessary to permit contracting in a manner which conforms to the realities of foreign advertising markets.

3. "full medical coverage for dependent members of immediate families of employees stationed overseas;"

No Specific Authority

This language permits the International Trade Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

4. "travel and transportation of employees of the U.S. and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 1517;"

No Specific Authority

In 1979, the Congress exempted Foreign Service agencies from the requirement that government travel between two points outside the United States be accomplished by U.S. air carrier. This phrase clarifies that the U.S. and Foreign Commercial Service is included in the exemption and overturns a Comptroller General decision to the contrary.

5. "employment of Americans and aliens by contract for services;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to present its overseas exhibitions ITA often requires the use of narrators, demonstrators, receptionists, clerical, and facilities maintenance personnel who speak the language of the host country; are familiar with local practices and procedures; or who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country (generally members of an employee's family) because they have greater familiarity with American methods and, therefore, require less effort to train.

6. "rental of space abroad for periods not exceeding ten years, and expenses of alternation, repair, or improvements;"

No Specific Authority

Buildings, pavilions, and space in such structures must be rented for exhibitions. Rental terms are established by fair authorities. The program may desire to exhibit at certain fairs which support ITA's trade development objectives. The installation of exhibits in rented buildings requires that certain alterations and improvements be made. To limit expenditures for such alterations and improvements would seriously restrict the quality and effectiveness of the exhibitions.

7. "purchase or construction of temporary demountable exhibition structures for use abroad;"

No Specific Authority

40 U.S.C. 601 prohibits the construction of public buildings except by the Administrator of the General Services Administration. Authority to purchase or construct such demountable structures in necessary to allow ITA to present exhibitions overseas when permanent exhibition facilities are not available. 41 U.S.C. 10a permits the purchase of articles, materials, or supplies in foreign countries when they are to be used in that country.

8. "payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;"

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of $25,000 or less against the Unites States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the Unites States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt ITA from 22 U.S.C. 2680 and would cover the settlement of tort claims against the United States which arise in connection with the ITA's trade promotion activities abroad.

9. "not to exceed $327,000 for official representation expenses abroad;"

No Specific Authority

5 U.S.C. 5536 prohibits additional pay, extra allowances, or compensation unless the appropriation explicitly states that it is for such additional pay, extra allowances, or compensation.

10. "purchase of passenger motor vehicles for official use abroad not to exceed $30,000 per vehicle; obtain insurance on official motor vehicles, rent tie lines and teletype equipment;"

No Specific Authority

31 U.S.C. 1343 authorizes the purchase of passenger motor vehicles and purchase of motor vehicles for law enforcement use of the U.S. Capitol Police without regard to any price limitation otherwise established by law.

This section also prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President or the head of certain executive departments.

11. "to remain available until expended,"

No Specific Authority

31 U.S.C. 1301(c) provides that an appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously if the appropriation expressly provides that it is available after the fiscal year covered by the law in which it appears.

12. "provided, that the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities."

No Specific Authority

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property and services from foreign governments, international organizations and private individuals, firms, associations, agencies, and other groups in carrying out the activities concerned with exhibits pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibitions and the necessary supplies therefor.

This phrase provides for extension of this authority and permits ITA to collect funds for use in conducting trade promotion events abroad.

Exhibit 34

Department of Commerce
International Trade Administration
Operations and Administration
CONSULTING AND RELATED SERVICES
(Obligations in thousands)

	1992 Actual	1993 Estimate	1994 Estimate
Consulting services	$123	$188	---
Management and professional services	48	48	$53
Special studies and analyses	477 1/	---	---
Management and support services for research and development	----	---	---
Total	$648	$236	$53

1/ Includes $30 in off-setting receipts.

ITA requires consulting services to meet relatively short-term requirements for industry and/or economic expertise. Because of various ITA programs which focus on very narrow areas (specific export promotion events, negotiations, antidumping and countervailing duty cases), it is preferable to maintain the ability to obtain short-term expertise rather than a permanent staff capacity.

Consulting services : These services were used in FY 1992 in Import Administration for econometric forecasting in connection with antidumping and countervailing duty caseload and related trade agreements. Slightly increased efforts are forecast for FY 1993; however these services will no longer be required in FY 1994.

Management and professional services: These services provide technical expertise, interpretation and stenographic services required in antidumping and countervailing duty case hearings and verifications.

Special studies and analyses : These services were used in Trade Development in FY 1992 for a research and analysis study of U.S. Automobile Trade Opportunities in Japan ($370,000) and a research and analysis study of the economics of the Airbus Industrie A350 ($77,000).

Exhibit 35

Department of Commerce
International Trade Administration
Operations and Administration
PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS
(Obligations in thousands)

		1991 Actual	1992 Actual	1993 Estimate	1994 Estimate
Periodicals 1/		$716	$897	$1,015	$1,101
Pamphlets 2/		519	458	455	457
Audiovisuals		---	---	---	---
Total	$1,235	$1,355	$1,470	$1,558	

1/ Includes off-setting receipts as follows: FY 1991 = $502, FY 1992 = $695, FY 1993 = $765, and FY 1994 = $841.

2/ Includes off-setting receipts as follows: FY 1991 = $133, and $145 in FY 1992, FY 1993, and FY 1994.

ITA publications, periodicals as well as pamphlets, are one of the most essential tools through which the organization fulfills its mission to carry out the U.S. Government's nonagricultural trade activities to encourage and promote U.S. exports of manufactured goods, to administer U.S. statutes and agreements dealing with foreign trade, and to advise on U.S. international and domestic trade and commercial policy. Periodicals include Business America and Commercial News USA.

Individual publications, including Foreign Economic Trends, Overseas Business Reports, economic and market research studies, foreign direct investment reports and textile reports, play an essential role in keeping the business public informed on particular aspects of the global business picture which ITA is charged with disseminating. The annual U.S. Industrial Outlook is the Department of Commerce's and the U.S. Government's preeminent report on domestic industry.

Exhibit 36

Department of Commerce
International Trade Administration
Operations and Administration
AVERAGE GRADE AND SALARIES

	1992 Actual	1993 Estimate	1994 Estimate
Direct:			
Average ES salary	$101,305	$104,553	$104,553
Average GS grade	10.20	10.19	10.19
Average GS salary	$35,456	$36,704	$36,704
Average grade and salary established by the Foreign Service Act of 1980 (U.S.C. 801-1158):			
Average Senior Foreign Service salary	$100,378	$103,589	$103,589
Average Foreign Service grade	2.54	2.58	2.58
Average Foreign Service salary	$48,864	$50,343	$50,343
Average salary in foreign countries	$28,249	$28,685	$33,446

Mr. SMITH. Testifying on behalf of the International Trade Administration today is the Acting Under Secretary of Commerce for International Trade, Timothy Hauser. Since this is your first time to appear before the Subcommittee, we will insert a copy of your biographical sketch into the record at this point. You may proceed now with your testimony. Do you have a statement?

[The biographical sketch of Mr. Hauser follows:]

TIMOTHY J. HAUSER, ACTING UNDER SECRETARY, INTERNATIONAL TRADE ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Timothy J. Hauser was appointed Acting Under Secretary for International Trade at the U.S. Department of Commerce effective June 1, 1992. He serves as the principal adviser to the Secretary of Commerce on international trade issues and directs the 2300-person International Trade Administration (ITA), charged with promoting the nation's exports and enforcing our trade laws.

A 13-year veteran of the Commerce Department, Hauser served from July 1991 to May 1992 as Deputy Under Secretary for International Trade, the only career employee ever to hold the number two position in this $200 million operation. He was responsible for the day-to-day operations of ITA and served as principal deputy to the Under Secretary, advising him on trade policy, promotion, and management issues.

From 1987–1991, Hauser served as Deputy Assistant Secretary for Planning, where he was responsible for the Department's participation in interagency trade policy activities. In 1986–1987, he worked in the White House as Deputy Executive Secretary of the Economic Policy Council, where he developed recommendations on international trade and competitiveness issues for Presidential and Cabinet consideration.

From 1982–1986, Hauser directed Commerce's Office of Multilateral Affairs. There, he managed the Department's work on trade and investment issues under negotiation in the General Agreement on Tariffs and Trade, the Organization for Economic Cooperation and Development, and the United Nations. He represented the United States in international negotiations on a wide range of issues, including high technology trade.

Hauser joined Commerce in 1979 in the Office of Policy, where he worked on trade and competitiveness issues affecting U.S. high technology industries. From 1971 to 1979, he served as an economist with the Bureau of Labor Statistics in a pioneering program aimed at measuring price trends in international trade.

A 1970 Phi Beta Kappa graduate of Georgetown University's School of Foreign Service, Hauser received a Master's Degree in international relations (1972) and did additional graduate work at the Johns Hopkins School of Advanced International Studies in Washington, D.C. and Bologna, Italy.

A native of Pittsburgh, Hauser is married and has one son.

Mr. HAUSER. I have one for the record, Mr. Chairman. I would like to summarize it briefly, if I may.

Mr. SMITH. All right, fine. Thank you.

OPENING STATEMENT

Mr. HAUSER. Thank you, Mr. Chairman.

I am pleased to be here this morning to discuss ITA's 1994 appropriations request. With me is Mitchell Luxenberg, the Director of Financial Management at the International Trade Administration.

As you noted, Mr. Chairman, our budget request is for $246.3 million and 2,431 positions. This is an increase of $18.6 million over our calculated base level and an increase of $32.15 million over the 1993 appropriated level.

Very quickly I want to outline some of the steps ITA is taking to support America's efforts in international trade and then discuss very briefly the specifics of our budget request.

Let me take this opportunity to thank you, Mr. Chairman, and the committee for your support in the past, and particularly over the last year. The fiscal year 1993 regular appropriation, plus the supplemental which you so graciously allowed us, has very much helped us respond in critical areas like our steel antidumping and countervailing case load, helped us work down our backlog in case reviews and helped us to begin deploying our new offices in the Newly Independent States. All of these things will continue this year.

ITA, under Secretary Brown, will aggressively support the administration's efforts to help the Nation "compete, not retreat" abroad. Our efforts are intended to promote free trade and address and remedy unfair trade practices internationally. The President has stated that it is time for us to make trade a priority element of American security, and to take on the hard work of creating a more open trading system that enables us and our trading partners to prosper.

Through work in three areas—trade promotion, trade policy development, and aggressive enforcement of our Nation's trade laws—ITA intends to implement the President's vision.

The outlook for U.S. exports, U.S. business and international trade in the coming year is a bit of a mixed one with strong U.S. export growth somewhat dampened by slow growth abroad. Our expectation is that the U.S. economy will continue to outperform the economies of most of our major trading partners as we continue to grow out of recession. Imports could well outpace exports until the economies of Europe and Japan rebound.

This could, in the opinion of most of the analysts, lead to some widening of the merchandise trade deficit. Exports will still be a strong, perhaps the key contributor to overall U.S. growth with expanding markets expected in Latin America and Asia. Exports to Canada should pick up as the Canadian economy recovers.

We continue to expect very high growth in our exports to Mexico, which continue to increase at over 20 percent per year. Export growth will also remain strong to the rest of Latin America. Slow economic growth in Europe, however, will probably mean little export growth there, and in Japan, the outlook is for continued weak economic growth, although three things are under way which may help address that: One, a Japanese stimulus package; two, movements in currency rates; and three, the new initiatives the administration will be taking on the policy front to address the U.S.-Japan trade imbalance.

ITA FOCUS

In response to this outlook, ITA is focusing on a number of key areas in the current year. These include first, increasing and improving our coordination of government export programs. This is being undertaken chiefly under the auspices of the Trade Promotion Coordinating Committee, which was codified last year through the Export Enhancement Act of 1992. Secretary Brown is taking a leadership role in this area. Recently he convened a cabinet level meeting of the 19 Federal agencies involved in the TPCC.

We have a number of working groups working quite intensively. In fact, they are meeting at least three hours a day every day to develop new initiatives on the trade promotion front. Our effort is to prepare a response to the congressional mandate that we have a unified export promotion strategy and a unified U.S. Government export promotion budget by September 30th of this year.

In addition, we are looking at new initiatives in the area of advocacy, enhancing our Trade Information Center with a permanent capability on trade finance, developing new private sector outreach programs, and taking a look at legal and regulatory impediments to U.S. exports, with a view towards addressing them.

The second major policy focus following up on the President's commitments to President Yeltsin at the Vancouver Summit, is to expand U.S. market share in the Newly Independent States (NIS).

We want to expand American exports to the 200 million people living in the 12 new countries of the former Soviet Union. We want to grow beyond our current $3.8 billion level in exports and expand America's trade and investment presence from about $400 million now in Russia to as much as 10 times that figure.

We are doing this by working with our Russian colleagues to remove obstacles to trade and expanding the U.S. Commerce Department presence in the NIS. Tomorrow, April 29, 1993 will be another major step forward. Secretary Brown will be cochairing a meeting of the U.S.-Russia Business Development Committee with his Russian counterpart, Deputy Premier Aleksandr Shokhin, to begin to lay out a bilateral work program dealing with trade with Russia, and the Secretary expects to travel to Russia later this year for a full meeting of the Commission and to take some American business firms with him.

The third priority area is continuation of our efforts at trade liberalization throughout the Western Hemisphere. Our objective is to maximize U.S. industries' opportunities and job creation in our trade with Mexico under the North American Free Trade Agreement (NAFTA) and to foster free market policies in private sector growth throughout Latin America and the Caribbean.

Obviously, at the moment, our efforts are focused on ensuring the negotiation of parallel agreements that safeguard American interests in the areas of environment, labor and import surges.

Once we have completed the parallel negotiations, we look forward to working with the Congress on securing passage and then following through with implementation of NAFTA. Beyond that, expanding our negotiations with the other countries in the Western Hemisphere to take advantage of the growth and preference for American products there, and also to focus on outreach and information dissemination to the private sector.

Trade with Japan also remains a high priority on the Commerce Department docket. I had the privilege of accompanying Secretary Brown to Japan over the weekend where he spent a good deal of time laying out the Administration's focus on a results-oriented trade policy with Japan: The need to redress our bilateral trade imbalance.

Commerce will be devoting a lot of time and effort this year in the negotiations on a new framework for our trade relations with Japan, and the specific follow-up on both structural and sectorial issues. In addition, we have a very heavy export promotion focus to ensure American business gets into the Japanese market and gets a fair share of that market.

One other priority I would note, sir, is our continuing commitment to the enforcement of the U.S. antidumping and countervailing duty laws. This is the key focus of our Import Administration unit. We will continue to enforce these trade laws effectively by conducting our antidumping and countervailing duty investigations and reviews within all of the statutory and regulatory time frames. Obviously, the steel cases remain a key priority. We anticipate the final decision in those cases on June 21st.

To support these initiatives, Mr. Chairman, we have determined that a few well-targeted budget increases should be added to our program mix to ensure that we can continue to improve the trade climate for American firms. As I mentioned at the outset, we are requesting increases of about $18.6 million.

This will support the following activities: First, about $10.5 million to augment the overseas purchasing power of the U.S. and Foreign Commercial Service (US&FCS) overseas field support for U.S. exports. The level of this support has eroded due to unbudgeted increases in overseas costs.

This increase will strengthen the capability of the US&FCS to better satisfy the demand for its services at a level adequate to meet congressional, Administration and U.S. business interests. In particular, sir, we would like to use the increase to fund 28 authorized, but as yet, unfunded overseas positions basically in Latin America and the Pacific Rim countries.

The second item in our budget request is about $6.4 million to improve our International Economic Policy unit's efforts in building American market share in the Newly Independent States. This will be accomplished through new policy initiatives and an expanded Special American Business Internship Training Program, support for the activities of the Bilateral Business Development Committee which I mentioned earlier, development and operation of our Business Information Service for the Newly Independent States, and other commercial information opportunities in the NIS.

Lastly, and in parallel with this initiative, we have asked for $1.75 million for our trade development unit to continue a new program in which we have a lot of optimism, the Consortia of American Businesses in the Newly Independent States.

This program modeled on our consortia program for Eastern Europe will establish at least three offices in the NIS to support public and private sector initiatives designed to increase U.S. exports and help in privatization. Grants basically focus on business and trade associations largely comprised of small and medium-sized businesses who would otherwise, on their own, perhaps not have the occasion to penetrate those markets.

Mr. Chairman, with the guidance and continued support of the committee, we believe ITA will be able to continue and improve our delivery of services to American exporters and potential exporters.

With that, sir, I would be pleased to take any questions.

[The prepared statement of Mr. Hauser follows:]

PREPARED STATEMENT BY TIMOTHY J. HAUSER
ACTING UNDER SECRETARY FOR INTERNATIONAL TRADE
DEPARTMENT OF COMMERCE

Before the Subcommittee on
Commerce, Justice, State, the Judiciary and Related Agencies
Committee on Appropriations
House of Representatives
April 28, 1993

Mr. Chairman, Mr. Rogers, and members of the Subcommittee, I appreciate the opportunity to appear before you in support of the International Trade Administration's FY 1994 budget request.

Our request for $246.3 million and 2,431 positions represents an increase of $32.5 million and 0 positions when measured against our 1993 appropriation, and an increase of $18.6 million over our calculated 1994 base level. This request, taken as a whole, reflects this Administrations's strong commitment to promote U.S. trade in a dynamic global economy. This budget request provides the necessary resources for several new initiatives aimed at increasing ITA's ability to serve the U.S. business community and improve the quality of the services we provide.

FY 1994 BUDGET INCREASE REQUESTS

To support our ongoing major trade initiatives, we have determined that a few, well targeted budget increases must be added to our program mix to ensure that we can continue to improve the international trade climate for American firms.

As I stated at the outset, we are requesting increases totaling $18.6 million. The additional funding will support the following essential activities:

- - **$10,475,000 to augment Overseas Purchasing Power of the US&FCS overseas field support for U.S. exports.** This support has eroded due to unbudgeted increases in overseas costs. This increase will strengthen the capability of the US&FCS to better satisfy the demand for its services at a level adequate to meet Congressional and Administration program objectives. In particular, this increase will enable us to fill 28 authorized but unfunded overseas positions in Latin America and Pacific Rim countries.

- - **$6,400,000 to improve our International Economic Policy unit's efforts in Building American Market Share in the Newly Independent States.** This will be accomplished through policy guidance and coordination, an expanded Special American Business Internship Program (SABIT), support for the activities of Bilateral Business Development Committees (BDCs), and development and operation of the Business Information Service for the Newly Independent States (BISNIS), a one-stop service center for business information on commercial opportunities and conditions in the NIS.

- - **$1,749,000 for our Trade Development unit to continue a Consortia of American Businesses in the Newly Independent States, or CABNIS, program.** CABNIS, modeled on the successful Consortia of American Businesses in Eastern

Europe program, will establish at least three offices in the NIS which will be favorably positioned to support both public and private initiatives designed to increase U.S. exports and/or assist the privatization movement.

U.S. LEADERSHIP ROLE IN GLOBAL COMMERCE

ITA will aggressively support this Administration's efforts to help the nation "compete, not retreat" abroad. Our efforts are intended to promote free trade and address and remedy unfair trade practices by foreign countries. President Clinton has stated: "it is time for us to make trade a priority element of American security" and "to take on the hard work of creating a more open trading system that enables us and our trading partners to prosper." U.S. companies and workers are simply not getting a fair shake abroad in such sectors as autos and auto parts, airliners, wheat and soybeans, semiconductors and steel.
ITA will assist in the Administration's efforts to persuade Europe and Japan to take the painful but necessary next steps towards a more open global economy.

MAJOR EXTERNAL CONDITIONS AND TRENDS

Conditions:

Despite sluggish growth in major export markets abroad, U.S. exports continue to grow at a healthy pace, increasing 6.3 percent in 1992. Exports posted a new record last year and the United States remained the world's largest exporter. Working in favor of further U.S. export growth through the budget planning period will be the continuing favorable exchange rate for the U.S. dollar and improved U.S competitiveness. The latter reflects higher U.S. manufacturing productivity, controlled growth in unit labor costs, and a lower value of the dollar. In addition, the expected continuing strong growth in less developed countries--particularly in Latin America--bodes well for further U.S. export growth. In fact, three-fourths of the growth in U.S exports during 1992 was due to higher exports to developing countries. However, prospects for continuing slow growth in the major industrialized countries will curb export growth potential.

Trends:

The deadlock in world trade talks has given rise to three regional trading blocs, which account for most global output. Regional trading alignments will play a central role in the new world economic order. Some nations will benefit greatly because of their privileged access to markets. Mexico, for example, is developing a special economic relationship with the United States and is thus poised for the same kind of economic liftoff that has already taken place in Spain and Portugal. Other countries, including most in the Third World, will not have built-in-outlets for their products. This has led some economic leaders to condemn separate trading blocs and profoundly wish that the faltering Uruguay Round can be made a success.

Recent events in Latin America, Eastern Europe, and the newly independent states (NIS) of the former Soviet Union hold considerable promise. Both developing and developed countries have privatized many state enterprises and deregulated some private activity. Developed countries have cut income tax rates to increase private incentive. Less developed countries (LDCs) now generally regard a market system as the best engine for economic development. Nonetheless, pressures for protection against imports, barriers to direct foreign investment, and nationalistic trade and industrial policies already are strong in many foreign countries.

Export expansion objectives must be pursued in light of these anticipated international economic trends and domestic political pressures. It is likely that the more significant trade issues facing the U.S. today will persist through the balance of the decade. U.S. trade development efforts must continue to take account of these factors.

ITA believes that the program mix contained in our FY 1994 budget request is responsive to the anticipated international economic environment.

INTERNATIONAL TRADE OUTLOOK

The outlook for U.S. business in international trade is a little like a "good news-bad news" story. Unfortunately, for 1993 our outlook is that the merchandise trade deficit will continue to grow. Our expectation is that the U.S. economy will outperform the economies of most of our major trading partners. As the U.S. economy grows out of recession, imports will outpace exports until the economies of Europe and Japan rebound. On the positive side, U.S. export growth should continue to be buoyant in 1993, with expanding exports to Latin America and Asia. In addition, exports to Canada, the largest U.S. market, should pick up as the Canadian economy recovers. Canadian growth in 1992 was a little over one percent. Growth in 1993 should be at least twice that, leading to stronger U.S. exports to Canada in 1993. Given the various political and economic problems currently facing Europe, and given the poor economic outlook for the coming year, it is unlikely that U.S. exports to the region will show any growth in 1993 unless there are significant changes in the next few months. Given the outlook for rather weak Japanese economic growth in 1993, together with the projected rate of economic growth in the United States, it is likely that the U.S. trade deficit with Japan will grow even larger during the year. Of course, Prime Minister Miyazawa is trying to modulate this through his recently announced stimulus package. In 1993, as in 1992, the developing countries of the world show the most promise for economic growth, and the most promise for U.S. exports.

ITA TRADE INITIATIVES

In response to this international trade outlook, ITA conducts a number of major ongoing initiatives; for example:

Increased Coordination of Government Export Programs

A key objective is to coordinate, unify, and streamline the U.S. Government's trade promotion programs and increase their efficiency in delivering trade promotion services to the U.S. business community. The TPCC, chaired by Secretary Brown, is taking a leadership role in doing this, and ITA is staffing this function for the Secretary. In 1993, TPCC activities include providing the Trade Information Center with an automated export financing database enhancing its ability to share information within ITA and with other Federal agencies; establishing a regional private sector outreach program; and, identifying legal and regulatory impediments to U.S. exports.

U.S. Market Development in the NIS

Our goal is to significantly expand American exports to the 200 million people living in the twelve new countries of the former Soviet Union. We want to grow beyond the $3.8 billion exports achieved in 1992 and make the United States the leading foreign investor in those countries.

Trade Liberalization Throughout the Western Hemisphere

Our objective is to maximize U.S. industries' opportunities with Mexico under the North American Free Trade Agreement (NAFTA) and to foster free-market policies and private sector-led growth throughout Latin America and the Caribbean. Our activities are aimed at passage and implementation of NAFTA after passage by Congress; initiation and expansion of free trade negotiations with other countries in the Western Hemisphere; and outreach and information dissemination programs.

Trade With Japan

ITA continues its long-standing objective to increase commercial opportunities for U.S. exporters to Japan. This is because two-thirds of the U.S. global merchandise trade deficit is with Japan. We will continue to emphasize trade policy initiatives and export promotion programs.

Enforcement of U.S. Antidumping and Countervailing Duty Laws

This is the most critical priority undertaken by our Import Administration unit. We must continue to enforce trade law effectively by conducting antidumping and countervailing duty (AD/CVD) investigations and reviews within statutory and regulatory time frames.

PROGRAM REQUIREMENTS

The activities of the International Trade Administration are grouped into four program units: Trade Development; International Economic Policy; Import Administration; and the U.S. and Foreign Commercial Service.

Trade Development

Trade Development (TD) assesses and supports the competitiveness of U.S. industries, conducts analyses on international trade and investment, and conducts export promotion programs directed toward specific industrial sectors. This recently reorganized unit is currently implementing the findings of its Strategic Review in order to more efficiently serve its clients with the highest quality performance.

For Trade Development activities, we are requesting $51,511,000 and 461 positions. Our request includes an increase of $1,749,000 for continuation of the Consortia of American Businesses in the NIS program.

International Economic Policy

International Economic Policy (IEP) assists in formulation of U.S. bilateral and multilateral trade policies, monitors the implementation of trade agreements, and assists U.S. businesses seeking to trade with specific countries.

We are requesting $24,883,000 and 242 positions for these activities. Our request includes an increase of $6,400,000 for efforts aimed at building American market share in the newly independent states of the former Soviet Union.

Import Administration

Import Administration (IA) protects American firms from unfair trade practices by administering U.S. antidumping and countervailing duty laws, bilateral steel trade agreements, the U.S. Canada Softwood Lumber Agreement, the U.S.-Japan Semiconductor Agreement, the machine tool arrangement with Japan and Taiwan, et al.

For these activities we are requesting $29,341,000 and 337 positions, which represents no increase, or decrease, versus the 1994 base level.

U.S. and Foreign Commercial Service

The United States and Foreign Commercial Service (US&FCS) provides exporting advice and export promotion services to U.S. firms through a network of offices throughout the United States and in 68 foreign countries. The US&FCS also develops and distributes information products and conducts trade shows and trade fairs overseas.

We are requesting $140,598,000 and 1,391 positions for US&FCS activities. Our request includes an increase of $10,475,000 to restore overseas purchasing power, and thus strengthen our capability to provide the necessary level of assistance to the U.S. business community.

. . . .

Exports continue to play an essential role in America's quest for prosperity now and in the future. American exporters and potential exporters, particularly small and medium-sized firms, find themselves in a rapidly changing global economy and require a strong and consistent commitment of resources to aid them in reaching their, and in turn, our national trade goals and objectives.

Mr. Chairman, this concludes my prepared statement. I will be pleased to answer any questions you or the subcommittee may have.

APPOINTMENT OF ITA UNDER SECRETARY

Mr. **Smith**. What is the situation with the appointment of the Under Secretary?

Mr. **Hauser**. Sir, I would ask you to direct that to the Secretary of Commerce. He was asked the question in Japan and I believe he indicated we are about a week or two away from the appointment, not only of an Under Secretary, but his full permanent team for ITA.

ITA INCREASE—OMB CLEARANCE

Mr. **Smith**. Now, this $18.6 million increase, when was that decision made?

Mr. **Hauser**. This reflects the priorities of the new Administration.

Mr. **Smith**. I see.

Mr. **Hauser**. Yes, sir.

Mr. **Smith**. So your request to OMB did not include that last funding?

Mr. **Hauser**. I am sorry, sir.

Mr. **Smith**. Last fall.

Mr. **Hauser**. We sent one request to OMB last fall; a new request went over from the Department on behalf of the Administration.

Mr. **Smith**. I see.

Mr. **Hauser**. And this bottom figure is worked out between the Department and OMB.

ITA AUTHORIZATION

Mr. **Smith**. What is your situation with regard to authorization?

Mr. **Hauser**. We are fully authorized through 1994, Mr. Chairman. There may be a difference of perhaps as much as $7 million that will hopefully be worked out once the appropriation is done. But the authorization basically is good through 1994.

Mr. **Smith**. Now, does that authorization need to be changed or reflect any of this $18.6 million within the authorization?

Mr. **Hauser**. I think our appropriation is going to be about $7 million over our authorization, sir.

Mr. **Smith**. Oh, I see. So you would have to have an amendment in the authorization, or else waive it.

Mr. **Hauser**. I believe so, sir.

NAFTA

Mr. **Smith**. With regard to NAFTA, what does your budget request include that affects NAFTA? What does it assume? Does it assume NAFTA will be in effect?

Mr. **Hauser**. Yes, our assumption is based on the fact that NAFTA will take effect January 1st, 1994. We have not asked for new resources for NAFTA. We did receive some resources this year, basically, in terms of business outreach, business expansion in the region.

EARMARKS

Mr. SMITH. Now, there were some earmarks. Have you included those in the base or have you left them out again, or what?

Mr. HAUSER. One of them is in, Mr. Chairman, that is the National Textile Center grant. We have excluded the Textile Clothing Technology Center and the New Materials Center grants.

Mr. SMITH. I see. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

TRADE PROMOTION COORDINATING COMMITTEE

Now, I want to ask you about the Trade Promotion Coordinating Committee.

Mr. HAUSER. Yes, sir.

Mr. ROGERS. Is the ITA charged with executing the activities of that committee, which is statutorily charged with developing a government-wide strategic plan to promote exports, and coordinating all government export promotion programs, and proposing an annual unified Federal budget for export promotion?

Is ITA charged with running that committee?

Mr. HAUSER. Yes, we are, sir.

Mr. ROGERS. And how will Commerce and ITA interact with the National Economic Council and OMB in that overall effort? Will Commerce have the lead?

Mr. HAUSER. Yes. In fact, Secretary Brown has been asked to Chair a working group of the National Economic Council focusing on export promotion. We will be working with them very closely as the Secretary develops the work plan for the Trade Promotion Coordinating Committee.

OMB is a member of the TPCC. We will obviously be working closely with them in all of its program activities, as well as our efforts to develop the unified export promotion budget.

We had the first Cabinet level meeting of the TPCC on March 31st, Congressman, with representatives from all 19 Federal agencies present. We have divided our efforts into various task forces working on various aspects of the TPCC program.

As I mentioned in my testimony, we have begun basically a new experiment to show our focus on this thing. We have folks from the various agencies meeting three or four hours a day every day to move forward with these new initiatives. So it is a responsibility we take very seriously.

Mr. ROGERS. Are you aware of the other TPCC members' budget requests which are not included in your budget request?

Mr. HAUSER. As one of the first steps, sir, we are collecting the information that would be necessary to take a look at this unified export promotion budget.

Mr. ROGERS. Do you know what the amount is?

Mr. HAUSER. I do not have the data in front of me, sir.

Mr. ROGERS. Can you submit that information for the record?

Mr. HAUSER. Certainly. Yes, sir.

[The information follows:]

The TPCC, in cooperation with OMB, is currently gathering this information and the information will be presented to the Committee as soon as possible.

Mr. ROGERS. Now, did the Commerce Department have a role in reviewing the other Members' budget requests?

Mr. HAUSER. Not to my knowledge at this point, Congressman.

Mr. ROGERS. Who reviewed the overall budget?

Mr. HAUSER. My expectation, that it is following the normal budget process and that it would have been looked at by OMB. Our intent, in light of the statutory mandate, is to have a handle on this unified export promotion budget by September 30th.

Mr. ROGERS. Well, can we anticipate receiving a unified Federal trade promotion budget?

Mr. HAUSER. It would be our hope, sir, that given the charging statute, that by September 30th—I don't know whether it would be a formal budget or it would be a report that would be moving us towards it, but that is certainly our goal in the TPCC.

EXPORT PROMOTION ACTIVITIES COORDINATION

Mr. ROGERS. Well, GAO, in 1992, described the lack of coordination in Washington of various agencies' export promotion activities.

How have the Foreign Commercial Service officers overseas been affected by this lack of coordination?

Mr. HAUSER. I think the lack of coordination that GAO was referring to was in fact a function of some of its budget anomaly where I believe, by their own data, some 80 percent of our export promotion funds went to agricultural exports, which are only about 10 percent of the overall value of U.S. exports.

Overseas, within the post, I think the U.S. and Foreign Commercial Service officers are operating well with their counterparts from other agencies. Obviously, a focus on redistribution of resources across the board would hopefully result in some enhanced presence overseas.

Mr. ROGERS. Are AID or Commerce promotion programs coordinated with the FCS?

Mr. HAUSER. We are working to coordinate more closely. There has been the potential for cooperation in the past. We are trying to work some of that out. Eliminating the duplication and overlap is one of our priorities this year in unifying the strategy.

Mr. ROGERS. What level of funding is ITA receiving from AID in fiscal year 1993 and for what programs?

Mr. HAUSER. Give me a minute, Congressman, and I can get you some specific details.

Currently, we are managing about $16 million worth of trade promotion programs using funds from AID. These programs are largely focused on developing the economies of Eastern Europe and the Newly Independent States, and in fact, in our fiscal 1994 budget package, Congressman, we are seeking funding within the Commerce budget for some things that are currently being funded out of AID. Specifically, our Eastern Europe Business Information Center, we get about $750,000 from AID, our Consortia of American Businesses in Eastern Europe program gets about $3 million, and our American Business Center in Warsaw is about $2 million from AID. Similarly in the Newly Independent States, our Business Information Service, gets about $1.3 million from AID.

Additionally, our internship program receives about $2 million, while health industries partnership program gets a couple hundred thousand. Our Consortia of American Business programs in the Newly Independent States, $1 million. And we have about $5 million coming in this year for America Business Centers in the Newly Independent States. We also received about $700,000 from AID to fund our Latin American–Caribbean Business Development Center.

Mr. ROGERS. How will the new TPCC interact with the U.S. Trade Representative? What kind of division of responsibilities for export promotion will take place?

Mr. HAUSER. Well, the U.S. Trade Representative is one of the Members of the Trade Promotion Coordinating Committee. We would anticipate that trade promotion initiatives undertaken under the context of the TPCC would certainly be coordinated with and follow-up on our trade policy initiatives.

If USTR negotiates a market opening agreement in a particular country, we would want to, through the TPCC, ensure follow-up on the trade promotion opportunity to make sure U.S. business knows about the agreement and is able to take advantage of it.

Mr. ROGERS. Well, I have never seen a machine constructed by a committee that would work. Now, who is in charge of TPCC? Is there a czar running trade promotion?

Mr. HAUSER. That would be Secretary Brown. Now, on an operational basis, he has asked our Deputy Secretary Designate, John Rollwagen to work very closely with The Export-Import Bank Chairman-Designate Ken Brody, to Chair a deputy level group that will provide the day-to-day instruction and guidance to the TPCC.

Mr. ROGERS. Will he have sufficient authority to both make decisions on behalf of the TPCC and implement those decisions?

Mr. HAUSER. We hope so, sir. That is why we were delighted to see in the Export Enhancement Act last year. It took the TPCC, created by a decision memo from former President Bush, and put it in to a statute, with the mandate to develop a plan and a budget. The Secretary fully intends to implement it and make the decisions.

Mr. ROGERS. Can we accurately portray Secretary Brown as the foreign trade czar?

Mr. HAUSER. I would defer to your terminology on it, sir. The Secretary has indicated that trade promotion is one of his highest priorities; he talks about that and technology as linked together as the mission of the Department of Commerce, and I think the Secretary will aggressively take on that role.

Mr. ROGERS. Does he have the authority under the law and with the Administration's support? Does he have the authority to act almost as a czar of foreign trade promotion?

Mr. HAUSER. I would hope so, sir. Again, we are testing this new vehicle, this new law, the Export Enhancement Act which gives us the statutory power, and the Secretary is well aware of that mandate and intends to aggressively fulfill it.

INSPECTOR GENERAL REPORT

Mr. ROGERS. Well, the Inspector General just released a report entitled Assessment of Commerce's Efforts in Helping U.S. Firms Meet the Export Challenges of the 1990s.

The report, while highlighting some accomplishments, was highly critical of the organizational structure of ITA, programmatic redundancies, internal rivalries and duplication of efforts. The Agency's responses were contradictory, indicating there is no consensus within ITA on how export promotion should be run.

What do you say about that IG's report?

Mr. HAUSER. It has been a subject of lengthy discussion, Congressman, between ITA senior management and the Inspector General. I think what you see in some areas are some legitimate philosophical differences. The view of ITA management is that everything we do, with the exception of enforcing the Nation's trade laws, is in part geared to export promotion, and that all of our program areas in the International Trade Administration, the International Economic Policy component, the Trade Development component, and the U.S. and Foreign Commercial Service, should actively be involved in our trade promotion activities, and that we have a full-service network across the board.

We have some legitimate differences of opinion with the Inspector General, who I think tends to want to see some of those responsibilities put in one particular program area as opposed to the others. At the same time, the Inspector General's report identified a number of things that we are working to address.

The fact that we have duplicate information systems within ITA with no particular reason, we are going to work to address some of that. We are going to improve our coordination among our various program units. There were both useful suggestions and some things in the report where we differ.

But I don't think that there is any disagreement, either between us and the IG on the overall mission, which is we need to improve our performance in the export promotion area.

TPCC EFFORTS

Mr. ROGERS. Is it the Under Secretary who will be in charge of TPCC?

Mr. HAUSER. Well, there will be a new Under Secretary for the International Trade Administration, hopefully named within the next couple of weeks.

Mr. ROGERS. Who was the——

Mr. HAUSER. The Deputy Secretary Designate, John Rollwagen has been asked by the Secretary to work with Chairman Brody in terms of a deputies' level committee to direct the TPCC. We are working very, very closely with Mr. Rollwagen. Operationally, it is being staffed out of ITA.

Mr. ROGERS. Are those staff now in place?

Mr. HAUSER. The TPCC staffing, sir?

Mr. ROGERS. Yes.

Mr. HAUSER. It is in place now. We have, as I mentioned, three interagency working groups that are up, running, meeting on a daily basis that began last week. They are staffed by ITA folk, folk from Ex-Im, OPIC, a number of the other TPCC agencies. So the effort is already up and running.

There have been a couple of meetings of Mr. Rollwagen that concerned ITA people, our colleagues from Ex-Im, to lay out a framework for this. So there is a tremendous amount of activity already begun, with a view to doing three things, sir: One, meet the requirements for the strategic plan due in September, two, develop the unified budget, and three, get some initiatives under way now.

We do not want to spend the summer just planning and thinking; we want to hit the ground with some trade promotion activities as well.

Mr. ROGERS. Okay. Two quick subjects before I close.

Mr. HAUSER. Yes, sir.

ROLE OF STATE DEPARTMENT IN OVERSEAS TRADE

Mr. ROGERS. One, the role of the State Department in overseas trade. The State Department, of course, has the authority to determine the size and composition of all of our permanent full-time staff in the embassies. In fiscal year 1991, one out of five of the staffing changes proposed by the Foreign Commercial Service was denied by State.

Do you expect that is going to change, and have those denials affected the ability of the Foreign Commercial Service management to reallocate resources to high priority locations?

Mr. HAUSER. There may have been one or two individual cases where our efforts to make some change in the program mix were affected. I think in the main, Congressman, our relations with State in the overseas posts are good and are improving.

We saw an increasing interest on the part of State in export promotion towards the end of the last Administration with a number of helpful statements from former Secretary Eagleburger in terms of export promotion. We have seen that carried on. I know Secretary Brown has had a number of conversations with Secretary Christopher in terms of working together in the export promotion areas.

I would note, Congressman, that our 67 overseas posts are in countries that cover about 94 percent of world trade. The State Department picks up the other hundred or so countries that only account for 6 or 7 percent of world trade. So we have our folk working well in the key posts.

Mr. ROGERS. The State Department has recently been touting its mission as the primary supporter of U.S. businessmen abroad. Has that increased focus by the State Department on promoting the interests of U.S. businesses helped or hindered ITA's and the Department of Commerce's ability to provide services to the American business community?

Mr. HAUSER. We are working cooperatively with them, Congressman. State is a member of the Trade Promotion Coordinating Committee. They have tabled some ideas for joint efforts, and we look forward to a positive working relationship with State. I don't see any hindrance.

EXPORT PROMOTION IN THE NEWLY INDEPENDENT STATES

Mr. ROGERS. All right. And then finally and quickly, your budget request includes increases in both trade development and international economic policy for export promotion in the Newly Independent States.

Mr. HAUSER. Yes, sir.

Mr. ROGERS. CABNIS program and IEP's business information.

Mr. HAUSER. Right. The various information centers, the internship program.

Mr. ROGERS. Now, I guess my question is this, and this is probably a decision made at a higher pay grade than yours or mine, but it seems to me that putting a lot of emphasis on trade with the Newly Independent States is misguided monies. I mean, the whole Gross National Product of Tajikistan might buy you a cup of coffee and several other of the Independent States. There is no market there. I mean there are a lot of people there, but they have no money to trade with.

So why are we putting all of this emphasis on building trade with the Newly Independent States when we should be spending that money, in my judgment, on the places where there is a market. It is good politics, and I guess that is why we are talking about this now. It is good politics and it may aid the geopolitical interests of the U.S. to get in there and try to get some people involved, but you are not expecting to do much business in Tajikistan, are you?

Mr. HAUSER. I am afraid I am not an expert on Tajikistan, itself. I think there is a lot of opportunity in a number of the targeted areas in the NIS. For example, in Russia right now, U.S. investment is about $400 million. In discussions with major American companies in key sectors, energy in particular, they see business opportunities worth up to $4 billion, if we can help cut through some of the red tape, the bureaucracy, the issue of who is in charge where, some of these obstacles that prohibit an expansion of trade.

I don't think, sir, we are undertaking trade expansion with Russia at the cost of efforts in other areas. As I mentioned, our increased request for the U.S. and Foreign Commercial Service will basically allow us to deploy officers in the growth markets of Asia and Latin America.

At the same time, looking at Russia, one of the reasons we think it is important for the U.S. and Foreign Commercial Service to be in there, is that there is nobody else to help the American business community, the small businessman, the medium-sized businessman who wants to probe those markets has no place to go but the government for advice and counsel. So that is why we are putting the focus there in the near term.

Mr. ROGERS. Well, I just hope you don't take your eye off the ball. I mean, let the State Department worry about the political alliances in the Newly Independent States, but Commerce should be talking about promoting American exports where you can, where there is a market and where they have the money to buy our products.

And you know, China, for example, is growing at the rate of 13 percent a year now of GDP, and Southeast Asia is now beginning to boom. I am more interested in what we are doing in Kuala Lumpur and Singapore than I am about Tajikistan or Kazakhstan. I don't think there are too many American products there.

Mr. **Hauser**. I take your counsel on that, Congressman, and I assure you that our focus is global. We continue to have our largest representation of U.S. and Foreign Commercial Service officers, for example, in the biggest market, which is Japan. We are active in Europe. We are looking at Latin America and Asia where the growth is continuing. So we do hopefully have our eye on the ball, sir, and will continue to do it.

Mr. **Rogers**. All right. Thank you.

CONSTRICTING THE SYSTEM AND SPENDING MONEY

Mr. **Moran** [presiding]. There seems to be two things that we have been consistently advised to try to avoid in developing our export administration, and one is to so constrict the system through expansion of bureaucracies that it discourages American businesses from getting involved.

If we have too many bureaucracies tripping over themselves, arguing about jurisdiction requiring that they also have sign-off authority, et cetera, then it is eventually going to discourage American business initiative that you are trying to achieve.

The second thing is dumping money. I am told by people that have been involved in the Newly Independent States that the last thing you want to do is to dump money over there because you will never see it again. The more money there is, the more people are going to get involved in making sure they get their take before it gets down to anybody that would be materially benefitted. I am not sure that we are avoiding those two pitfalls, quite honestly.

There is a specific example I ran into. There is a law firm in Northern Virginia, a large law firm, probably international, but I know it is at least nationally recognized, that has been working on a major project to develop a legal and regulatory framework for the granting of mineral rights; gas, oil, the natural resources. They believe that it is those natural resources, in addition to weapons, that are the only two real major products that can bring money into Russia, at least at this stage of the game.

And this law firm formed a team of leading American and Russian experts to complete a work plan that was approved by the Russian government, which called, the development of the legal regulatory taxation, licensing, and environmental structure for natural resource recovery.

And they got letters of support from the Vice President of the Russian Republic, the Russian Academy of Sciences, and leading American oil companies. They got an agreement of cooperation with the Russian Geological Institute, and the Russian Oil and Gas Ministry. They were encouraged by AID to file an application for funding out of the Freedom Support Act.

The application was filed in November and the work was to begin in January. But it is lost in the bureaucracy. I don't know many firms that are going to go through all that effort, particularly if the word spreads that the thing is likely to get lost in the bureaucracy anyway.

They haven't had any response regarding the disposition of their request, or any funding since they submitted final documents in January. I can give you the specifics of this particular one. But I have a real concern, which has been underscored by people in Russia and others who operate with Russia that they are going to give up. They are so desperate that they have really got to rely on selling their weapons, because that is the one sure export that they can get cash for.

And so they are going to export, you know, submarines to Iran, and they are going to export nuclear technology to North Korea. Maybe that will give them enough money to sustain themselves.

We have seen, even in the paper today, how miserable a situation it is in terms of the drilling for oil in Russia. You may have read that article that was in today's Washington Post. They definitely need help in terms of environmental safety, conservation, and in terms of the regulatory and legal framework within which every capitalist nation would have to operate. I don't see it happening.

What are you doing to reduce the bureaucracy and to get things on a fast track in terms of getting some real expertise in there that is not going to amount to paying off the black market.

So far, most of the things we have sent over there have very little impact. Very little has actually reached the people. So what are you doing to address that?

Mr. HAUSER. A number of things, Congressman. First, at the government-to-government level, our focus, and I mentioned tomorrow the Secretary will be meeting with Deputy Prime Minister Shokhin to talk about how we can remove obstacles to trade in the NIS at the government-to-government level. On the docket for tomorrow's meeting is the question of who is in charge? One week it is minister X and the next week it is someone else and the third week it is some allegedly privatized enterprise. That is contributing to the kind of frustration that the firm—the group that you talked to is experiencing. We are talking to the Russians about how to eliminate that, how to improve their business practices.

We have before the Department of Commerce now a fairly depressing list of about 50 U.S. companies unable to get payment for work in Russia; it fluctuates to about $250 million in payments arrears from the Russians, people who have done business and have never gotten their money out. This is the kind of thing we can discuss on a government-to-government basis.

How can we help them put into place structures that will address the financial framework? And I think this goes back to Congressman Rogers' question about why are we doing this. Well, part of it on the government-to-government level is to get these obstacles clarified to get a decision-making process on track.

We have a similar file of horror stories that date back years in terms of companies that have thought they have been close to concluding a deal and haven't. We would like to use the government-to-government efforts to get that underbrush clear away.

Mr. MORAN. So you are sort of an ombudsman for that?

Mr. HAUSER. Very much so, sir. In fact, in this particular case, if they haven't talked to us already or if you would like to give me the specific details, we would be pleased to sit down and take up that organization's cause in Russia.

Now, the second stage in our efforts is expanding our infrastructure in the Newly Independent States so we have Foreign Commercial Service officers on site who can help companies with the problems they are running into in particular areas.

We are adding staff in St. Petersburg, Moscow and Kiev. We are opening new offices in Vladivostok, Khabarovsk, Almaty and Tashkent and we are, over the coming year, going to deploy American Business Centers in Kiev, Tummin, St. Petersburg, Almaty and Tashkent.

And these American Business Centers are basically going to be office space, telephone space, business services, counseling services, for firms over there on site who can reach out to potential Russian business partners. So what we are trying to do is get an infrastructure in place that will help individual firms, individual companies overcome some of these obstacles.

AID

Mr. MORAN. Well, how is that related to AID?

Mr. HAUSER. Some of these initiatives are in fact being funded by AID, the American Business Centers are being funded with money that in the Freedom Support Act went originally to AID, and then was mandated to be directed to Commerce for the expansion of these programs.

Mr. MORAN. Well, is AID requesting much of this money?

Mr. HAUSER. Well, as I say, this was appropriated to AID in the Freedom Support Act. Part of our budget request this year—you will note our increase of about $6.5 million in International Economic Policy—is to pick up funding within Commerce to institutionalize, make part of the permanent Commerce program so we are not living on borrowed money. The funding will also support our information services, and make some of these grants, which is another novel approach we are taking.

We have given six of these CABNIS grants, Consortia of American Business in the Newly Independent States in two groupings. U.S. trade associations will put out matching money and try to set themselves up in office space for a presence in Russia, or the NIS. That is going to have a multiplier effect. We would like to move the funding into Commerce so we can continue these programs.

Mr. MORAN. But AID got the money in fiscal year 1993?

Mr. HAUSER. Yes, sir.

Mr. MORAN. And instead of them requesting it this year, you are?

Mr. HAUSER. Yes. To my knowledge, yes, sir.

Mr. MORAN. Well. Thank you.

Mr. Kolbe has been here for a while.

Mr. Kolbe.

PROTECTIONISM

Mr. KOLBE. Thank you, Mr. Chairman.

I am going to take my line of questioning on a somewhat different route here today rather than talk specifically about the budget or the organization of the ITA. I noticed a couple of comments that you made in your statement.

On page 3, you refer to helping the Nation compete, not retreat; addressing unfair trade practices by foreign trade countries. And on page 5 you say, nonetheless, pressures for protection against imports, barriers to direct foreign investment nationalists of trade and industrial policies already are strong in many foreign countries.

Turn that around for a second for me and tell me how you view protectionist pressures in this country, what your agency sees here?

Mr. HAUSER. Protectionist pressures in this country?

Mr. KOLBE. I mean, is it something that we are totally without sin and only other countries engage in protectionist measures?

Mr. HAUSER. Well, we continue to believe, and I think the fact is documented, Congressman, that we are by far the most open market in the world. Now, there is a fear in the United States when you look at something like our bilateral trade imbalance with Japan.

And this was a message the Secretary took very strongly to his Japanese counterparts last week, that when the American public, American workers, the Congress, the Administration, sees a market, for example, like Japan where we have a persistent trade deficit at a level of about $50 billion, it appears that we can't penetrate that market; it does cause some people to question why our market remains open in light of that, which is why our focus is on trade expansion, opening that Japanese market, why we want to expand trade through the North American Free Trade Agreement, why we think it is vitally important to use the Uruguay Round to open foreign markets so that the pressure for protectionism at home does not build. We are talking about fair access abroad.

Mr. KOLBE. Well, is it the view of ITA that the correct regimen of trade is that our trade with every country is in perfect balance at all times?

Mr. HAUSER. No, sir.

Mr. KOLBE. We have a $6 billion trade surplus with Mexico. Should they be harping on us?

Mr. HAUSER. If you look at it historically——

Mr. KOLBE. So should Mexico be harping on us that we are obviously not buying enough goods from Mexico?

Mr. HAUSER. I think a $6 billion surplus with Mexico, sir, compared with a $50 billion deficit with Japan, there is a degree of magnitude there that indicates there is a problem.

Mr. KOLBE. Relative to the trade with Mexico, it is not disproportionate, but it is substantial and it is a growing one. We are a relatively open market, though most of the studies would put us somewhere in the middle range of countries in terms of being open or closed.

There are many ways, as you know, of being open. 30 nations have antidumping laws on the books and at least 12 of them are in the process of implementing them, and I think that in the decade from 1980 to 1990, 1,383 antidumping duty actions that were initiated in the U.S. and Canada accounted for half of those.

Now, you might argue, well that was done in an effort to open markets, but I think there are a lot of countries around the world that see antidumping as very much of a protectionist measure and it has been used, I think, by some industries in that regard.

Mr. HAUSER. That allegation has been made, Congressman. We obviously hear it constantly from our trading partners. On the other side of the ledger is the fact that U.S. industries' workers have a right to petition under our trade laws for relief from unfair foreign trade practices, whether it is selling below cost or unfair foreign subsidies.

And ITA, traditionally, the Commerce Department takes the posture that we will enforce the Nation's trade laws. But I am aware of those criticisms from our trading partners.

Mr. KOLBE. You are certainly correct in saying we should enforce them, but at the same time, we need to acknowledge that surely you would not say that the U.S. is without any kind of subsidization of any industry, would you?

Mr. HAUSER. Nothing on a par with what we are seeing in some of our other trading partners.

Mr. KOLBE. Well, actually economists would differ with that view, I think, particularly in the area of subsidization.

I want to turn, if I might, to another more specific and narrow antidumping issue such as steel, for example, where we have engaged in measures to try to force against antidumping of steel, the voluntary restraints in steel.

The problem with it is steel is an input, it is not an end product, steel is an input. There is very little consideration that goes on as to the impact of the kinds of measure we take there on the industries that use steel.

For example, take auto manufacturing, or Caterpillar as good, specific examples of industries that use a tremendous amount of steel. When we engage in countervailing duties and other kinds of actions to protect our steel industry—which employs, I believe, roughly 70,000 people now in the United States, and the auto industry which employs millions of people—would you not agree that that has an impact on the competitiveness of those industries in the United States?

Mr. HAUSER. There may be an impact, Congressman; it is one that the statute does not allow us to consider in making our determinations under the AD/CVD laws.

Mr. KOLBE. Thank you. That was my question.

Should the statute make it possible for you to consider that before we engage in those kinds of actions, the impact on other industries?

Mr. HAUSER. At this point, sir, we are negotiating in the Uruguay Round for an effort to tighten the antidumping and countervailing duty laws to make them more effective worldwide. I think any consideration of changes to the U.S. domestic law ought to be put off until we conclude those negotiations internationally.

Mr. KOLBE. Would you describe more of what you are talking about when you say the kinds of changes we are seeking to make in the GATT round?

Mr. HAUSER. We would like to see——

Mr. KOLBE. Or more effective, I am not sure I understand what that means.

Mr. HAUSER. To eliminate areas such as circumvention whereby countries may be able to get around by shipping through a third country, doing a further stage of processing elsewhere.

There are discussions in the context of the countervailing duty law about permissible levels of subsidy in the areas of regional subsidies or other areas. As I say, these are complex issues under negotiation at this point that we haven't come to closure on.

Mr. KOLBE. They are very complex, and what you just described doesn't deal at all with the problem that I suggested. The secondary impact of countervailing duties and antidumping provisions on an industry that is a user of the input and steel is a classic example.

Industries in the United States use steel. We slap tariffs, countervailing duties on steel; we have an impact on Caterpillar. If Caterpillar then tries to reduce its price in order to stay competitive with Japanese products, with Kawasaki for example, they are then subject to an antidumping provision from the other side, because they reduce their price below the actual cost of production, which was increased by the countervailing duties on steel. It is a major problem for us.

And I just would suggest that I think that is something that the Administration has to be thinking very seriously about as it goes through these GATT negotiations, whether or not this impact on other industries is being adequately considered.

A final request, we have had some discussion of this with the ITC, but just before leaving office, Ambassador Carla Hills asked the ITC to do a study on the economic effects of existing antidumping and countervailing duty orders. Specifically, the effects on petitioning industries and their activities, income and employment of U.S. workers both in the petition industries and the other industries that I mentioned, the Caterpillar and automobile industry, and on U.S. consumers on the affected products.

Do you have a view on whether this kind of a study is worthwhile?

Mr. HAUSER. My personal view, Congressman, at this point, while we are in the midst of the Uruguay Round negotiations, a study would not be helpful, particularly given our effort to secure conclusion of the Uruguay Round negotiations by the end of this year.

As I mentioned, with respect to your comment about whether some change in the U.S. law is necessary, I think that is a decision that the Administration and the Congress would want to consider beyond the Uruguay Round.

ITC STUDY

Mr. KOLBE. Have you communicated that view to the ITC, or has ITC communicated that view?

Mr. HAUSER. Well, the request came out of the USTR, and to my knowledge, the dialogue is going back and forth between USTR and the ITC.

Mr. KOLBE. Have you specifically made a statement or put something on the record with ITC about ITA's view of this?

Mr. **Hauser**. Again, sir, to my knowledge, we have not formally communicated with the ITC. I think the request came from USTR Hills and I think the clarification has been requested of Ambassador Cantor. We would obviously be in discussions with USTR.

Mr. **Kolbe**. I have urged ITC to go ahead with this study. I would suggest that your answer about it not being a good idea to do this at this time begs the issue. First, it is not going to be done by the end of this year, it is not going to be completed, so there is no reason not to go ahead and begin this study.

And secondly, it would seem to me this is an extraordinarily important study to understand what kinds of impacts these antidumping and countervailing duty provisions have. If indeed an unbiased, objective economic study demonstrates that they are having a negative impact on American consumers and American producers, then Congress needs to take a look at that.

Mr. **Hauser**. With due respect, Congressman, I think the timing is a difficult one in that we are now into year seven of the Uruguay Round negotiations. The Administration transmitted, I believe yesterday, a bill which we would hope would be introduced that would extend our authority to December 15th to conclude the negotiations.

I think the sense of our trading partners was, if there was some major review of U.S. trade law under way, we would have some difficulty closing on this already seven-year-old effort.

Mr. **Kolbe**. Again, I do not believe that this study would in that way impact the conclusion of the Uruguay Round. I would say that if indeed this is an important issue, I find it astonishing that you would suggest that we ought to not go ahead.

If the policy is bad, we should proceed anyhow, because we are in the midst of delicate negotiations and we shouldn't know whether indeed the policy is a bad policy or not.

Mr. **Hauser**. I haven't offered an opinion on the policy, Congressman. That is an item the Administration should discuss with Congress.

Mr. **Kolbe**. It is the view of ITA that we ought not know about this; we ought to go ahead with the negotiations without understanding the implications that might result from this study.

Mr. **Hauser**. Not to argue the point, Congressman, but what I said was, I did not think the timing of the study at this point would be helpful.

Mr. **Kolbe**. Well, I am hoping that others have a different view of this, and I am hoping that—regardless of what USTR's position on this is—the Ways and Means Committee may actually go ahead and ask for this study to be done, because I think it is extremely important.

I have no other questions right now.

Mr. **Moran**. Mr. Price.

OVERSEAS EXPORT PROMOTION

Mr. **Price**. Thank you, Mr. Chairman. I would like to pick up the matter of export promotion through the good office of our member embassies abroad. You may be aware that we have raised this in previous hearings with the Secretaries of State and Commerce and I would like to raise it with you as well.

This report originally appeared in Inside U.S. Trade, and since then, we have found that the report was essentially accurate. We obtained a copy, in fact, of the joint State-Commerce announcement that was sent out in the last stage of the Bush administration, I think with nine days to go in the Bush presidency.

The Commerce and State Department established new export promotion guidelines or what appear to be new guidelines for U.S. embassy posts abroad who are providing export assistance. These guidelines seem to add new criteria to determine if a company is eligible for U.S. Government support, a departure from previous policy which primarily considered U.S. content as the major factor.

These additional criteria seem to have more to do with whether or not the company was foreign-owned regardless of the U.S. workers who were employed or whether the products were manufactured in the U.S. It is a complicated directive, but that appears to be the gist of it.

So you can see why we are concerned. The Research Triangle area of North Carolina is one of the Nation's economic success stories, and a number of the companies in our area are subsidiaries of foreign corporations. For example, Northern Telecom, a Canadian company, manufacturers high quality telecommunications equipment, and has been very successful in the export market, particularly in Asia. It appears that such a company would be disadvantaged by these guidelines.

Now, we discussed this with Secretary Brown when he appeared before our subcommittee a few weeks ago. He has agreed to set up a meeting to deal with this particular situation with several Members of Congress and we are now waiting to hear from him as to exactly when we can hold this meeting.

In the meantime, though, I wonder if you could discuss this from your standpoint. I assume you are the agency that is directly involved in this. What criteria should the U.S. Government export promotion assistance be based on, particularly this embassy-based assistance? What criteria are you using at the present time? To what extent has the policy been altered?

ADVOCACY GUIDELINES

Mr. HAUSER. Congressman, our effort in taking a look at these advocacy guidelines, which was a project undertaken as you correctly note, between the Commerce and State Departments dating back over a couple of years with discussion through our advisory committees of business people. Our goal was to broaden the ability of the U.S. Government to step in on behalf of American firms in international trade.

As I say, I think this is a very important point, our goal was not to restrict what we were able to do under the guidelines, but to broaden the field of American interests. Historically, the trip wire was 50 percent or over American content as a basis for U.S. Government support.

We find a world with increased multinationalization, consortia of businesses bidding in which there is American content of significant value below the 50 percent criteria. And part of what we try to do in the guidelines was to be able to expand the ability of our embassies to go in on behalf of American firms. In fact, that is the thing I mentioned earlier Secretary Brown has picked up on in terms of overall advocacy.

Another trend which we noticed, sir, which again you flagged in your commentary, is that there is the auction in these criteria where American firms are competing against foreign-owned firms who operate from a closed market and we use as an objective indicator of this the national trade estimates report produced by the U.S. Trade Representative. That may be a factor that can be considered in granting advocacy benefits on behalf of U.S. firms.

I would stress, Congressman, one, it is a case-by-case basis; two, it is a criterion that may be called into play. We had seen examples in the past where, for example, foreign-owned firms that had American content were using endorsements from their parent nation on their behalf, and then seeking an endorsement from the U.S. Government, which could have the practical effect of neutralizing U.S. Government support for competitor firms.

These are all complex cases. We look at them on an individual basis and I am very much aware and would reiterate the Secretary's intent to meet with you, Congressman. After all, these guidelines were just put into place in January. We need to assess them, we need to test them against experience, and if some adjustment may be necessary, we are prepared to talk about it and take a look.

So I think the door is open. They are not etched in stone. They are informal guidelines to begin with. So we would look forward to further discussions with you, sir.

Mr. PRICE. Well, you say this is applied on a case-by-case basis. Would you dispute the contention that, overall, the effect will be to put a more serious burden of proof on foreign-owned firms?

Mr. HAUSER. It is not aimed at foreign-owned firms so much as foreign-owned firms that may operate in a protected, a closed home market. In that case, I think it is another lever that ought to be employed to push for market opening there. But there is not a de facto bias or presumption of discrimination in the guidelines.

Mr. PRICE. The fact that a company employs thousands of Americans and manufactures the products in question in this country certainly would weigh in its favor.

Mr. HAUSER. Oh, there are factors that we take into consideration. There is a whole list, sir. U.S. materials and equipment content, U.S. labor content, contribution to the U.S. technology base, repatriation of profits to the U.S. economy, potential for follow-on business that would benefit the U.S. company. So all of these factors are considered.

Mr. PRICE. And you would agree, wouldn't you, that insofar as we consider the practices in the home country of the company, that that ought to be an up-to-date assessment; it ought to take into account progress that is currently being made in opening up those markets; it ought not to be rooted in some past perception or past practice.

Mr. HAUSER. No, and that is why, sir, we choose to use the annual report of trade estimates of foreign trade barriers produced by USTR so that we would have the most recent information, that there would not be a notion that there is some subjectivity to this; this is what is documented in a report mandated by Congress.

But yes, sir, we always work to the best of our knowledge on the most updated information we have.

Mr. **Price**. All right. Well, I appreciate your willingness to discuss this further, and I think it is very, very important that we do so.

Mr. **Hauser**. I will convey to the Secretary, sir, your thoughts. I know our staffs have had a productive, somewhat detailed discussion of this, and I will let the Secretary know.

TEXTILES

Mr. **Price**. Well, we will look forward to that meeting in the very near future.

Let me now turn to some of your activities in the area of textiles. I am glad to see in your budget request that you anticipate continued support for the work of the National Textile Center consortium, which as you know is a collaborative research effort involving four preeminent institutions in textile research, including, I am glad to say, North Carolina State University in Raleigh.

This work has been funded by this subcommittee for the past several years at an $8 million level in 1992, and at a $7.6 million level currently. Your budget request doesn't make a specific funding proposal, unless I have missed it. But you do——

Mr. **Hauser**. It is included in there, Congressman.

Mr. **Price**. It is included in there, I understand that.

Mr. **Hauser**. Yes. I am not sure how it is displayed, but it is our intent to continue.

Mr. **Price**. Your intent would be to continue at the present level of funding?

Mr. **Hauser**. Yes.

Mr. **Price**. That is what is implied by this. Good.

Mr. **Hauser**. Yes, sir.

TC^2

Mr. **Price**. Now, with respect to TC^2 there, apparently your agency does not anticipate continued funding and I want to explore that. The National Textile Center of course is terribly important. It is vital that we have a solid basis of research in our important domestic industries.

But I also think these technology transfer concerns, which TC^2 primarily supports, is the actual translation of this research into ideas and products and manufacturing techniques that allow our businesses and industries to become more efficient, expand markets and so on. That is also of great importance.

In fact, technology transfer appears to be a major thrust of the Department-wide initiatives that are coming from the Department of Commerce. So therefore, the apparent slighting of the TC^2 effort, which, after all, has a long history and I think an impressive record of accomplishment is a matter of some puzzlement and concern.

I wonder if you could explain your relative priorities in this area.

Mr. HAUSER. Yes, sir. As you know, there is obviously, with the new administration a new budget discipline afoot. In looking at the particular programs that we funded over time, and looking at TC², we went back, it has been funded since fiscal year 1981 with grant awards totaling $31.3 million.

Mr. PRICE. And fully matched, we should add, shouldn't we, fully matched by industry contributions?

Mr. HAUSER. Yes, sir. Our sense, however, was that the Federal role was one of a start-up function and after about 11 or 12 years of Federal contribution, it has started up, it is up and running, plus I note that TC² is one of the foundation organizations that now make up industry participation in AMTEX, the American Textile Partnership, which is a cooperative effort to use scientific skills in the national labs of the Department of Energy to increase the competitiveness of the domestic textile and apparel sector.

So I think that they may be getting money out of the AMTEX program, which again was another factor in considering why we did not feel the need to continue Commerce Department funding. Again, there were some difficult choices made in the preparation of this and TC² was one that we chose not to continue.

Mr. PRICE. Are you certain about the AMTEX funding?

Mr. HAUSER. I will look into it, sir, and get you a more precise answer. I know TC² is participating in AMTEX. I will find out the precise level of money involved.

[The information follows:]

The American Textile Partnership (AmTex) is composed of textile industry and national laboratory executives who recommend research to the Department of Energy National Laboratories for textile and apparel manufacturing, TC² is one of five industry Research, Education, and Technology Transfer (RETT) organizations which match the needs of the industry with the capabilities of the National Labs. TC²'s members are drawn from all segments of the softgoods industry (fibers, textiles, fabricated products, and retail). TC² provides training and education for National Lab scientists who require an understanding of the industry.

TC² has not received resources from the AmTex partnership. However, TC² serves on the AmTex Operating Board and may become the administrative site for the AmTex Industry Program Management Office.

Mr. PRICE. But your deletion of this funding is not based on any sure knowledge about that funding source; is that right?

Mr. HAUSER. We knew they are participating in it, and secondly, simply the fact that the program had received substantial funding over the past decade, which we think sort of went beyond—above and beyond the notion of start-up funding for this initiative.

Mr. PRICE. Is your assessment of the initiative and the ongoing work there generally positive?

Mr. HAUSER. I think it is useful work; I think it is at the point where funding ought to come from other sources.

Mr. PRICE. Isn't it true that the degree of industry support for this—the matching funds—is unusually high, that there is unusually enthusiastic industry participation for an effort of this sort?

Mr. HAUSER. I have no barometer to judge that by, sir. I don't have any information on it.

Mr. PRICE. Well, I think before this subcommittee decides as to the appropriateness of concluding that this effort can be wound down from the Federal standpoint, I think we certainly need better information about other potential Federal funding sources.

Mr. **Hauser**. We will take a look at the relationship to AMTEX and get back to you on it.

FEDERAL SUPPORT

Mr. **Price**. We also need a considerably fuller justification, I think, of your view that the time has come to phase out the Federal support. I would think that ought to be based on some specific assessment of how this program has worked, and what the prospects for continuation are without this component of Federal support, which after all has always been matched by equal industry contributions.

Mr. **Hauser**. Again, I take your point, Congressman. This was done in the context of a budget where some very tough choices have been made across the board, given the President's efforts to address the deficit.

Mr. **Price**. Well, that is true, and we agree those tough choices need to be made and we are going to be a part of that solution here in this subcommittee. But after all, this is an administration that has put great emphasis on this kind of technology transfer and on this kind of translation of research into manufacturing techniques and technologies that will have an economic payoff.

And on the face of it, it seems like, given that emphasis and given the determination to make room for actually new investments in that kind of area, it seems a strange time to be phasing out this particularly successful effort involving one of our preeminent American industries.

Mr. **Hauser**. But again, just to complete the picture from where we started, Congressman, we do intend and have included in the budget the funding for the ntional textile centers, so it is not as if we have eliminated all of our grant programs in that area.

Mr. **Price**. No, that is right, and I commend you for that.

Mr. **Hauser**. The NTC is a newer program, it has sort of a different focus and that may be an appropriate vehicle for the Federal seed money. But I take your point.

EXPORT PROMOTION PROGRAMS GOVERNMENT-WIDE

Mr. **Price**. The two programs are quite different though in concept and in mission. And of course it will be our job to sort out the priorities there, and we will certainly work on that.

Let me conclude with just a broader question having to do with our export promotion programs in general. Of course, you have a major role in that. But you don't have an exclusive role, to say the least. The GAO reports that export promotion programs are spread over 10 different agencies, and the GAO also suggests that funds are not allocated on the basis of any specific government-wide strategy.

Now, agricultural exports, of course, receive a major portion of this support. I think the figure is about 75 percent of the total outlays for exports promotion, but accounting for only 10 percent of U.S. exports. These agricultural programs of course have had some difficulties, but we basically appreciate their usefulness.

But taking this broader view for a moment, how do we make sure that our export promotion funds across the different agencies of government are being channeled into areas with the greatest potential returns?

Do we have the mechanisms in place, or has this administration planned any kind of review that would give us a more accurate sense of the cost and benefits of these programs and the way in which these funds ought to be deployed so as to have the greatest overall economic impact?

Mr. HAUSER. Yes, sir. In fact, I think in response to some questioning earlier from the Chairman and Congressman Rogers, I outlined our efforts under the Trade Promotion Coordinating Committee, which Congress made statutory last year in the Export Enhancement Act.

Secretary Brown has taken a very active role. Trade promotion is one of his highest priorities at Commerce and he wants to use the Trade Promotion Coordinating Committee as a vehicle to streamline, coordinate, better manage our export promotion activities across the government in light of that mandate from Congress to develop a unified export promotion plan and a unified export promotion budget to be presented to Congress this September.

We have begun a very intensive effort to fulfill that mandate, and we are looking at exactly the kind of coordination questions that you raise, Congressman. We are very aware of that figure from the GAO report; I think that has energized a lot of people around town with a view that 90 percent of our merchandise exports are getting so small a percentage of the funding. And we would hope that, through a unified export promotion budget, some of that begins to be addressed.

TPC ANALYTICAL CAPACITY

Mr. PRICE. What kind of analytical capacity will this council have to make those cost benefit calculations?

Mr. HAUSER. Well, one of the areas where we have identified a need for additional data is, how do you measure success in export promotion?

Mr. PRICE. That is a good question.

Mr. HAUSER. We have taken some steps within Commerce; our U.S. and Foreign Commercial Service has developed a data bank of individual success stories. Admittedly that is somewhat anecdotal. However, they have also developed some initial measures that indicate benefits relative to the number of visits.

That is one of the areas that we will be addressing as we undertake this review under the auspices of the TPCC, how do you measure success, and then how can we focus that into this discussion on budget. So it is an initiative that is clearly on the table, sir.

Mr. PRICE. OK. Thank you.

Thank you, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Hauser. That will conclude the hearing. We have several specific budget-related questions that we would ask that you answer for the record.

Mr. HAUSER. We would be pleased to, sir.

Mr. MORAN. Fine. At this point we will let you get back to work.

Mr. **Hauser**. Thank you. We will go back and promote some more exports. I very much appreciate the Members' and staffs' time in hearing our case this morning.

Thank you, sir.

Mr. **Moran**. Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Interaction with AID

QUESTION:

The Agency for International Development has recently initiated export promotion programs and trade information efforts. How have these AID programs been coordinated with Commerce and the Trade Promotion Coordinating Committee?

ANSWER:

The Trade Promotion Coordinating Committee (TPCC) is generally working to better coordinate Federal Government trade promotion activities. Both AID and Commerce efforts in trade promotion are considered by the TPCC, but coordination and interaction even preceded the formulation of the TPCC.

Commerce and AID have worked closely with each other on several AID initiated export promotion programs. An example of such an initiative is the United States-Asia Environmental Partnership program (US-AEP). ITA units such as International Economic Policy, United States and Foreign Commercial Service, and Trade Development have all taken part in the US-AEP agreement.

The inter-agency agreement was signed on March 9, 1993, and establishes a joint US-AEP program. Highlights of the agreement are:

A. AID will provide support for the US&FCS to hire contract staff in nine selected Asian countries or territories to locate and promote opportunities for U.S. environmental and related energy firms.

B. AID and Commerce will provide support for one additional staff person, to be located with US&FCS representatives at the Asian Development Bank in Manila, to provide early warning information on environmental and related energy projects for information services funded under the US-AEP.

C. AID will provide support for a Presidential Management Intern to manage US-AEP business inquiries at the Trade Information Center (TIC). The Center is a "one-stop" source of information on Federal exporter assistance programs.

Additionally, AID recently established the Center for Trade and Investment Services (CTIS). CTIS acts as a referral point for businesses interested in AID activities in overseas markets. When appropriate, callers to the CTIS are referred to the TIC for further assistance and direction. TIC also directs calls to CTIS if the caller is interested in specific AID activities.

QUESTION:

What did the experience indicate in terms of the present adequacy of Commerce's TPCC authority?

ANSWER:

Since the TPCC has only recently come into existence, it is premature to make a judgment concerning the adequacy of Commerce's TPCC authority.

QUESTION:

You are requesting funding in FY 1994 for the CABNIS program and the SABIT program -- both of which were initiated under AID. Will AID continue to provide any funding for these two programs in FY 1994?

ANSWER:

ITA does not expect any funds from AID during FY 1994 to fund CABNIS. Commerce has requested $1.7 million of its own funds for the CABNIS program in FY 1994. The funding would allow a minimum of three new grantees in addition to the nine which will have been funded by the end of FY 1993 with AID funds.

AID will not fund the SABIT program in FY 1994. SABIT was actually initiated by Commerce/ITA, in September 1990. Due to its success, AID funded the program in early 1992 to allow it to expand. It is far preferable for Commerce to receive direct funding and authorization for the program. Under the current arrangement, Commerce must borrow AID's authority to run the program, which restricts our flexibility.

Interaction with State Department

QUESTION:

The State Department has the authority to determine the size and composition of all permanent, full-time staff operating under its authority in embassies overseas. In FY 1991, 17 percent of the staffing changes proposed by US&FCS were denied by State.

What percentage of proposed staffing changes were denied by State in FY 1992 and to date in FY 1993?

ANSWER:

Of the 41 requests for additions to staff made in FY 1992 and to date in FY 1993, all ultimately have been either partially or completely approved. Recent requests for approvals of FSN positions in the NIS are still pending.

The major difficulties with State arise when the US&FCS attempts to close low-priority, marginal commercial posts to reallocate the resources to countries with higher potential for U.S. exports. For example, it took the US&FCS from 1989 to 1992 to receive State approval to close down our operation and terminate our one remaining FSN position in Cameroon. In Trinidad and Tobago, it took from 1990 to 1992 for State to approve our request for closure.

QUESTION:

How have these denials affected the ability of US&FCS management to reallocate resources to high priority export locations?

ANSWER:

The delays have had a negative effect. The current process required to draw down or close US&FCS posts restricts our ability to quickly redirect our budget and human resources to the high-potential posts identified by our Resource Allocation Matrix. The slow pace of approvals of our requests to expand operations in these posts leave us that much further behind in our efforts to identify and offer services with respect to new commercial opportunities for U.S. exporters.

Request to OMB

QUESTION:

What was your initial request to the Department and to OMB, what items were eliminated from those requests, and what will be the impact of those reductions on your ongoing operations? Please provide details for the record, if necessary.

ANSWER:

ITA's initial request submitted to the Department totalled $296.3 million. Our submission to OMB totalled $265.9 million.

Differences between the Departmental and OMB requests are as follows:

-- Restoration and Increase of AD/CVD Program Base

Resources:
$6.8 million in the Departmental request
$5.1 million in the OMB submission

-- Building American Market Share in the Newly Independent States:
$8.0 million in the Departmental request

$6.4 million in the OMB submission

-- U.S./NIS Commercial Partnership Program
$4.9 million in the Departmental request
$ 1.9 million in the OMB submission

-- Consortia of American Business in the Newly Independent States (CABNIS):
$5.3 million in the Departmental request
$1.8 million in the OMB submission

-- Complete CIMS at 1:1 in the Field and in Washington:
$3.6 million in the Departmental request
$2.0 million in the OMB submission

-- Partnership for Industry Exports:
$5.7 million in the Departmental request
$1.2 million in the OMB submission

-- Trade Liberalization of Western Hemisphere:
$2.8 million in the Departmental request
$1.3 million in the OMB submission

-- Building American Market Share in Eastern Europe:
$1.0 million in the Departmental request
$0.6 million in the OMB submission

-- U.S.-Western Hemisphere Commercial Partnership Program:
$1.3 million in the Departmental request
Not included in the OMB submission

-- Taiwan Infrastructure Development:
$0.3 million in the Departmental request
Not included in the OMB submission

-- Program for Taiwan's 6 Year Development Plan:
$0.8 million in the Departmental request
Not included in the OMB submission

-- Consortia of American Business in Eastern Europe:
$4.7 million in the Departmental request
Not included in the OMB submission

-- Domestic Staffing:

$5.9 million in the Departmental request
$2.9 million in the OMB submission

- Industry and Market Analysis:
  $2.0 million in the Departmental request
  $1.0 million in the OMB submission

- Expansion of U.S. Exports to the Persian Gulf:
  $0.5 million in the Departmental request
  Not included in the OMB submission

- Export Promotion in the Persian Gulf:
  $1.0 million in the Departmental request
  Not included in the OMB submission

- Environmental Policy Initiative:
  $1.3 million in the Departmental request
  Not included in the OMB submission

Differences between the OMB submission and the President's Budget are:

- Market Development Cooperator Program:
  $16.0 million originally requested
  $2.5 million in the President's Budget

- Overseas Purchasing Power:
  $15.0 million originally requested
  $10.5 million in the President's Budget

- NIS Program:
  $10.0 million originally requested
  $8.1 million in the President's Budget

Since all the reductions were of increase requests, not the base, ongoing operations will not be adversely affected. With base resources plus the requests contained in the President's Budget, we are confident ITA will be able to continue providing quality services and products to promote U.S. exports.

Personnel Appointments

QUESTION:

How many Deputy Assistant Secretary (DAS) positions currently exist in ITA? How many of these are political or Schedule C positions?

- Do you plan any reductions in the number of these DAS positions?

ANSWER:

Currently, ITA has 18 Deputy Assistant Secretary (DAS) positions. Thirteen of these DAS positions are political.

There are no current plans to change the number of DAS positions in ITA.

QUESTION:

How many career SES positions currently exist within the International Trade Administration? How does this compare to the number of career SES positions in the Department of Commerce?

ANSWER:

There are currently 20 career SES positions in ITA. The Department of Commerce as a whole has 414 SES positions.

QUESTION:

A criticism of ITA, and the U.S. and Foreign Commercial Service in particular, has been the discontinuity of senior management over the past ten years. In light of these criticisms, could there not be a better apportionment of senior SES positions within the Department to provide additional non-political senior staff for the US&FCS?

ANSWER:

At present, there is one career civil service SES employee in US&FCS. There are however, about 25 FSOs whose ranks equate to the SES pay schedule, and could be considered SES-equivalents. While additional career civil service SES positions in US&FCS might give greater continuity, ITA enjoys the advantage of being able to bring in fresh leadership with real business-world experience. ITA-wide five of eighteen senior SES position are occupied by career employees.

Administrative and FTE Reductions

QUESTION:

How is ITA affected by the President's executive orders on administrative and FTE reductions, and what is the impact of these reductions on your ongoing operations?

ANSWER:

ITA has not been affected by these executive orders in FY 1994. We will continue to carefully monitor our FTE usage and spending on administrative functions to assure compliance with limitations.

QUESTION:

What is the impact of the administrative reduction on ITA's travel budget?

ANSWER:

We have not experienced any major impact on our travel budget due to administrative reductions in the FY 1994 proposal.

Status of Authorization

QUESTION:

Are there any major programs currently authorized for ITA for which no funding is requested in this budget proposal?

ANSWER:

Funding is requested for all major programs ITA is authorized to operate.

U.S. & Foreign Commercial Service

QUESTION:

You are requesting an increase of $10.5 million to restore overseas purchasing power for the U.S. and Foreign Commercial Service. What accounts for this shortfall?

ANSWER:

The traditional method of calculating Adjustments to Base (ATBs) for overseas wages and prices uses projections/estimates of overseas inflation and exchange rates. Over time, actual changes outstripped the estimates so much that, cumulatively, the ATBs did not prevent an erosion in US&FCS' base. A recalculation of actual wage and price adjustments for the period FY 1989 through FY 1992, as compared against the amount of prior year ATBs, equals this shortfall.

QUESTION:

You state that these funds will be used to fill 28 authorized but unfilled positions. Where are these positions located (provide specific details for the record, if necessary) and what is the mix of Foreign

Commercial officers, civil servants and foreign nationals?

ANSWER:

To compensate for its lost overseas purchasing power, the US&FCS has made extensive use of "gapping" -- that is extended officer and/or FSN vacancies. For example, SCO positions have been gapped for up to a year in Peru, Ecuador, Guatemala, Costa Rica and New Zealand. We have taken this approach to its logical limits.

Because of the dynamics of our operating environment overseas, we cannot definitively identify just how all 28 positions would be allocated at this time. We will, however, apply our overseas resource allocation matrix as a guide.

As to a breakdown of the 28 FTE between officers, civil servants and foreign nationals, at this time we estimate that 8 of the FTE would be associated with foreign commercial officer positions, and 20 FTE to FSN positions.

With this funding, US&FCS will be able to fill the SCO positions in Guatemala, Ecuador, Costa Rica, and New Zealand (although Honduras would lose its SCO), add two officers each to Japan and China, and one additional officer in Mexico. FSN vacancies would tentatively be filled as follows:

Country	FSNs	Country	FSNs
Japan	2	Mexico	1
Bangkok	2	Spain	1
Hong Kong	2	Brazil	1
Venezuela	1	Netherlands	1
Germany	3	Australia	1
Italy	2	India	1
England	1	France	1

QUESTION:

You are not proposing any increases for the domestic US&FCS offices. Do you consider the base funding for the domestic offices adequate for accomplishing your mission?

What is the current staffing level for the US&FCS domestic district offices? How does this compare to the total number of authorized positions for the domestic offices?

ANSWER:

Although we did not submit an FY 1994 increase request for the domestic offices, the US&FCS portion of the FY 1994 Adjustment to Base (ATB) provides annualized funds for up to 20 FTE. However, requirements for space, computers, office equipment, training, and direct program support needs may preclude us from fully reaching that objective. Our planning level is 15 additional FTE. If we are able to fund the full 20 FTE, the distribution will be allocated to those states with the greatest staffing shortfall relative to our domestic resource matrix, California and Texas.

The current US&FCS domestic district office authorized staffing level is 292 FTE. We expect to fund that level through the end of the fiscal year.

QUESTION:

Please update (for the record) the table depicting the positions allocated to each US&FCS office for FY 1993, the current staffing level for each of those offices, and the proposed FY 1994 allocations.

ANSWER:

Please refer to Attachment A.

Trade Development

QUESTION:

Last year, the Committee approved a reorganization of the Trade Development unit of ITA based on a strategic review of the Trade Development mission. What is the status of this reorganization. Do you have any indications as to whether this reorganization has been successful? If so, please elaborate.

ANSWER:

The reorganization was completed in September, 1992. The reorganization resulted from a comprehensive strategic review of trade development and was only one of a number of recommendations designed to better focus the resources and activities of TD on exporting and to increase the efficiency of these efforts.

It is somewhat early to judge the benefits of the Strategic Review and the reorganization since many of the recommendations will take some time to implement, and we continue to work on them. However, some benefits are already obvious. First, we have increased the resources devoted to industries with the greatest export potential. Second, we have eliminated unnecessary overhead by reducing the number of program Deputy Assistant

Secretaries (DAS's) from eight to four making resources available for program use. We are also beginning to observe the synergy taking place from having broader based industry groupings under each DAS. For example, by combining the Aerospace and Science and Electronics units into one unit, our focus on technology-based industries has been enhanced and has enabled TD to respond better to the new initiatives of the President to bolster U.S. technology.

QUESTION:

The Trade Development unit (TD) engages in both trade promotion and industry analysis. How much of TD's budget is used to organize or support overseas trade promotion activities?

ANSWER:

It is impossible to calculate the amount of TD's budget which is used solely to organize or support overseas trade promotion activities, due to the intertwined relationship of policy support/trade promotion/analysis. All direct costs (except salaries and benefits of TD employees) of individual events are paid by participants via fees.

QUESTION:

How does this work differ from that being conducted by the U.S. and Foreign Commercial Service (US&FCS)?

ANSWER:

The entire ITA trade events program is managed by a newly created board with all parts of ITA represented. The trade events schedule is established and events selected by consensus by TD, US&FCS and International Economic Policy (IEP).

Both Trade Development (TD) and the US&FCS engage in a wide variety of trade promotion activities. Each unit (including IEP) has a well defined set of responsibilities for supporting activities such as business counseling, advocacy, coordination of interagency export promotion activities, provision of market information and business facilitation services, support for trade promotion activities of other government agencies (e.g., Eximbank, OPIC Trade and Development Agency) and the Japan Corporate Program, and organization of trade events.

For TD, support for ITA trade events is one of a number of export promotion activities. A major focus of TD is outreach to trade associations with the result that the trade events upon which TD focuses most of its attention are identified by U.S. industry as being critical to its strategic marketing plans in the markets concerned. These events tend to be product or sector specific, involve direct participation by executives from U.S.-based firms rather than their foreign affiliates or representatives, provide opportunities for face-to-face, direct contact between buyers and sellers and are planned in consultation with U.S. industry.

TD concentrates on domestic recruitment of participants for ITA trade events and preparing participants for what they can expect when they arrive in the marketplace. Once participants depart from our shores, TD's work is largely complete. US&FCS is responsible for delivering events to the marketplace, including marketing the event to foreign buyers and handling logistical arrangements.

Working on ITA trade events is but one small part of US&FCS's trade promotion activities. US&FCS-sponsored trade events are targeted primarily at new-to-export and new-to-market firms and include trade fairs, state or industry sponsored trade missions, matchmaker missions, catalog shows, foreign buyer missions and post-initiated events.

QUESTION:

Your budget justifications (page ITA-33) show the number of trade promotion events recruited and supported by the TD unit increasing from 60 in FY 1992 and FY 1993 to 90 in FY 1994. What accounts for this estimated increase?

ANSWER:

The number of events recruited and supported by TD is fluid since events are added and dropped as the date for the event approaches. The number of events for FY 1994 is currently estimated at 71. At the time the budget was being prepared we planned for 90 events, but in the intervening time the number has been more accurately determined. The number of events varies from year to year for several reasons. Chief among them are: it is difficult to anticipate "targets of opportunity" two years ahead in the planning process; and many "flagship" trade exhibitions, which are ideal marketing opportunities for smaller exporters, are on a two, three, four, or even five year sequence.

QUESTION:

Are additional resources in your base being devoted to promoting these types of events?

ANSWER:

No additional resources are necessary to go from 60 to 71 events since the direct costs of trade events are funded from fees paid by the event participants.

QUESTION:

What is the average attendance [participation] at these types of events, and what audience do you target for these events?

ANSWER:

Participation by U.S. business varies by type of event, product sector and market being promoted, and availability of space. For trade fair exhibitions: from 10 to over 100 companies. For trade missions, generally 8 to 10. The target audience is all U.S. exporters in the product sector being promoted.

Examples of numbers of participants per event follows:

Paris Air Show, France, June, 1993, 107 companies;
Heimtextil trade fair, Germany, Jan.,1993, 56 companies;
Cosmoprof trade fair, Italy, Jan., 1993, 34 companies;
ISPO trade fair, Germany, Sept., 1992, 16 companies and the State of Colorado representing additional companies;
Japantex trade fair, Japan, Jan., 1993, 10 companies;
Telecommunications executive trade mission to Russia, November, 1992, 8 companies.

QUESTION:

What percent of the attendance [participants] at these trade events do established exporters account for?

ANSWER:

Again, participation varies by type of event, product sector and market. For example, product exhibitions at major "flagship" trade fairs in Western Europe tend to attract smaller and new-to-market firms based in the United States, since companies already active in the market exhibit directly on their own or through their foreign affiliates. On the other hand, trade missions to more difficult markets are good vehicles for experienced exporters (like developing business in Russia and the Newly Independent States). Trade promotion activities are geared to particular market opportunities, and we include any U.S. companies that have the wherewithal to capitalize on these opportunities. We have found that collecting information categorizing U.S. companies with respect to experience in foreign markets is not particularly meaningful due to problems of definition and the complexity of international business relationships.

CABNIS Grant Program

QUESTION:

You are requesting almost $1.8 million under Trade Development to fund three Consortia of American Businesses in the Newly Independent States (CABNIS) grants. Four initial CABNIS grants were recently awarded using FY 1993 AID funds. Who are the recipients of the FY 1993 funding, and what was your role in selecting the grant recipients?

ANSWER:

As administrators of the CABNIS program, Commerce was solely responsible for making grant selections. Commerce based the selections on established criteria specified in The Federal Register and in the grant application package.

The first two awards, made with FY 1992 AID funding, went to the Food Processing Machinery & Supplies Association of Alexandria, VA and the Telecommunications Industry Association of Washington, D.C. Four awards, using FY 1993 AID funds, went to: American Building Products Export Council (and joint recipient, Home Builders Institute), Washington, D.C.; American Graduate School of International Management, Glendale, AZ; Semiconductor Equipment and Material International, Mountain View, CA; and the World Trade Center Association Orange County, Irvine, CA. Commerce will fund three additional CABNIS grants with FY 1993 AID funds.

QUESTION:

Why isn't AID requesting funds to continue this program?

ANSWER:

AID and DOC agree that the program belongs in DOC and that DOC should request its own funds.

QUESTION:

What are the criteria used for awarding these grants? Are geographical considerations a factor in evaluating a CABNIS proposal?

ANSWER:

The CABNIS program requires that grant recipients establish a physical presence in the Newly Independent States (NIS). In evaluating a CABNIS proposal, Commerce did not prioritize among the various republics. However, in the event of a tie, Commerce reserved the right to base a selection on geographic diversity.

Commerce used established selection criteria, which were announced in The Federal Register on July 13, 1992. Consideration for financial assistance was given to those proposals which could:

1) Demonstrate how proposed member firms' U.S. exports and consortia business activities would support privatization and private enterprise (e.g., through assistance with defense plant conversion projects, technical training, marketing assistance and investment promotion). Marketability of the proposed products and/or services in the NIS was taken into account in evaluating applications.

2) Demonstrate that the non-profit organizations have the capacity, qualifications and staff necessary to successfully undertake the intended activities.

3) Demonstrate the capability and intent of enlisting small and mid-sized U.S. firms as members of the consortium.

4) Provide a reasonable assurance that the proposed project could be continued on a self-sustained basis after expiration of the Federal grant expenditure period.

5) Demonstrate a commitment to encourage, support and assist in the development of indigenous counterpart organizations (e.g. trade associations) and a well reasoned plan as to how that will be accomplished.

6) Present a realistic work plan detailing the services it would provide to the consortium member firms.

7) Present a reasonable, itemized budget for the proposed activities.

Commerce made selections through a panel composed of representatives from all parts of ITA.

QUESTION:

The detailed budget justifications mention an existing Consortia of American Businesses in Eastern Europe (CABEE) program. Was this funded under AID or Commerce, and how much has been provided under the CABEE program?

ANSWER:

In June 1991, AID provided Commerce funding of $3 million for the CABEE program: $2.5 million for grants and

$500,000 for administration by Commerce. No additional funding has been provided for the CABEE program.

QUESTION:

What groups received funding under CABEE?

ANSWER:

The five grantees include the American Building Products Export Council, Food Processing Machinery & Supplies Association, Sun-Diamond Growers of California, Telecommunications Industry Association, and the Water Environment Federation.

QUESTION:

In what countries are CABEE trade offices located?

ANSWER:

CABEE trade offices and on-call representatives are located in Bulgaria, the Czech Republic, Hungary, and Poland. The CABEE grantees and their established offices work to serve all of Eastern Europe.

QUESTION:

How does this program differ from the Market Development Cooperator Program, funded under ITA in FY 1993?

ANSWER:

There are a number of significant differences between the CABNIS and Market Development Cooperator programs:

- Grants are issued under the CABNIS program; cooperative agreements are concluded under the Market Development Cooperator Program.
- The CABNIS program is restricted to activities in the Newly Independent States (NIS); the Market Development Cooperator Program is available for any market in the world.
- Award winners under the CABNIS program must form new consortia to undertake grant activities and must open and staff an office in the NIS; there is no such requirement for the Market Development Cooperator Program. Cooperator strategic plans may include any mix of activities (domestic or foreign) the private sector Cooperator deems appropriate to accomplish its market development goals and objectives in the market or markets it selects.

- Eligibility for the CABNIS program includes non-profit corporations and public sector entities in addition to trade associations; eligibility for the pilot phase of the Market Development Cooperator was restricted to trade associations and non-profit industry organizations.

- The selection criteria for each of the programs differ significantly. The CABNIS program stresses building infrastructure and encouraging privatization and private enterprise in the NIS while the Market Development Cooperator Program stresses expectation of new sales and increase or maintenance of market share.

- The contribution of participants is different in each program. For the CABNIS grant program, the grantee must at least match from non-Federal sources the amount of the grant; while the Market Development Cooperator Program requires a minimum match of two private dollars for each one federal dollar (except for activities in the NIS).

International Economic Policy

QUESTION:

The International Economic Policy unit (IEP) assists the U.S. Trade Representative in developing trade policy positions and proposing background papers.

a. What percentage of staff time is devoted to such activities?

b. How does this break down by geographical region?

c. Is any reimbursement provided by the USTR for this assistance?

ANSWER:

IEP is Commerce's participant in the interagency trade policy process, and develops and advocates Commerce's market access policy views. USTR is the trade policy coordinator -- not the trade policy formulator. The trade policy positions that emerge from this process are the result of the articulation of the individual positions that Commerce, Agriculture, State, Treasury, Labor, EPA, and other agencies advocate. The final position represents the blend of views that have been advocated most forcefully and with the best preparation and factual basis to support the national interest. IEP's role in the process is to advocate the U.S. industrial and services market access objectives in as strong a manner as possible.

IEP's development of policy positions and supporting analysis involves a wide range of issues, including the Uruguay Round of multilateral trade negotiations; other, traditional activities of the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD); the North American Free Trade Agreement (NAFTA); various trade initiatives regarding the former Soviet Union and Eastern Europe; implementation of U.S. trade law (e.g., section 301); the U.S.-Canada Free Trade Agreement; overall and sector specific policy initiatives regarding Japan; as well as Standards and Intellectual Property Rights issues.

Approximately 30 percent of IEP's staff time is devoted to the development of trade policy positions, initiatives and related supporting analyses. Most of this effort is to develop and support the trade policy positions of the Department of Commerce. A portion, however, does indeed go to policy support for USTR -- principally through IEP's Office of Multilateral Affairs (OMA), which frequently provides extensive and continuing policy development and analytical support to the Office of the U.S. Trade Representative (USTR).

About one-fourth of IEP's trade policy time is devoted to direct support of USTR; i.e., 1/4 of 30% -- or about 8 percent of IEP's total time devoted to all activities.

USTR does not reimburse ITA for IEP support, although USTR does share the costs of administration of the U.S.-Canada FTA Secretariat.

QUESTION:

How does IEP's work on preparing this type of background material differ from the efforts carried out by the International Trade Commission (ITC)?

ANSWER:

IEP provides critical country expertise focused on the market opportunities as well as the laws, regulations and policies which affect U.S. commercial policies and practices. Within this latter category, IEP provides policy development and expertise on a number of issues including standards, services and intellectual property rights. Moreover, IEP is also responsible for providing guidance and expertise on a wide range of issues concerning the Uruguay Round of multilateral trade negotiations; the other, traditional work associated with the General Agreement on Tariffs and Trade (GATT); and trade-related aspects of the Organization for Economic Cooperation and Development (OECD) and other international organizations.

In contrast, the ITC's function is considerably more circumscribed and narrowly focused. It provides technical expertise relating to the effects on U.S. industry of imported products, especially with respect to changes in U.S. tariffs. It prepares injury determinations under the antidumping and countervailing duty statutes.

IMPORT ADMINISTRATION

QUESTION:

Within the Import Administration unit (IA), is the same management responsible for negotiating the Multilateral Steel Agreements and for investigating these same countries for dumping and subsidies?

Does this not constitute a conflict of interest?

ANSWER:

By keeping its activities regarding the Multilateral Steel Agreement (MSA) and the antidumping (AD) and countervailing duty (CVD) investigations completely organizationally separate, Import Administration (IA) has avoided any real or apparent conflict of interest. This is absolutely imperative, as IA's vast expertise in these areas demands that IA remain very much involved in both activities.

By employing the unique technical as well as policy expertise regarding steel trade policy resident within Import Administration, the Department is much more effective in addressing steel trade issues.

While IA's primary responsibility is to administer the nation's trade laws and regulations for all types of imported products, the long history of unfairly traded steel imports has provided IA with over 13 years of day-to-day experience with all aspects of the steel trade issue. When President Reagan decided in 1984 to negotiate steel voluntary restraint agreements (VRAs), IA's unique steel trade knowledge made IA input vital to the U.S. Trade Representative's (USTR) success in negotiating those agreements, in 1984 and again in 1989. IA was also a critical member of the USTR-led interagency teams which in 1989 negotiated bilateral consensus agreements (BCAs), the precursors to the MSA.

Serious work on the MSA began shortly after the completion of the VRA and BCA negotiations in late 1989 - that is, over two years before the massive AD and CVD steel case filings in June 1992. USTR is responsible for negotiating the MSA, and IA is a key participant on the interagency negotiating team, which also includes representatives from other Federal Government agencies. While the MSA seeks to eliminate unfair steel trade practices in general, its most important aspect is the strict limitation of subsidies to the steel industry worldwide. The steel subsidy issue points directly to IA's strengths: (1) IA is the recognized expert in the subsidies area for international trade, and (2), has developed the long-term expertise regarding steel trade issues that no other institution possesses.

Concurrent with its MSA participation, Import Administration is conducting the AD and CVD steel investigations. As always, IA is doing so in strict accordance with law, regulations, and international obligations. IA's management has been rigorously scrupulous in its endeavor to maintain the integrity of the investigations.

QUESTION:

What are the costs involved in administering the various Voluntary Restraining Agreements (VRAs) that have been negotiated? How has the workload changed within the Office of Agreements Compliance, and how has the staffing been adjusted?

ANSWER:

Responsibility for administering the VRAs on steel products and machine tools has been entrusted to ITA's Office of Agreements Compliance (OAC) within Import Administration, which employs 50 people and has a budget of about $2 million a year. Because administering the VRAs is only one aspect of OAC's activities, and portions of the cost of administering the VRAs were incurred by other offices (i.e., those of the Immediate Office of Assistant Secretary for Import Administration and of the Deputy Assistant Secretary for Compliance), it is impossible to arrive at an exact cost of the VRA program. The real cost of administering the VRA programs would include not only the salaries and administrative expenses of those OAC staffers assigned to the VRAs, but also the maintenance of computerized import databases, payments made to Data Research International for apparent consumption forecasts, and foreign travel for negotiations and/or consultations with foreign governments. That cost can be estimated at roughly $2 million.

The first steel VRAs were put into place in 1982. Under the President's Steel Program of 1984, the number of countries and products involved in these VRAs expanded considerably. Since that date, OAC has gradually assumed additional responsibilities, such as administering the machine-tool VRAs with Japan and Taiwan, which started in 1987, and assisting the U.S. Customs Service in resolving protests filed by importers and related to the steel VRA program. The steel VRAs expired on March 31, 1992, but the machine-tool VRAs started have been extended until December 31, 1993.

At present, OAC is conducting 16 distinct antidumping investigations covering various steel products from six different countries. OAC has also been charged with negotiating and administering all outstanding antidumping and countervailing duty suspension agreements. OAC is currently administering 20 suspension agreements (9 antidumping, 11 countervailing duty) with 14 different countries. Approximately 40 OAC staff members are currently involved in the investigation of the steel cases and the administration of the suspension agreements, the remainder (10 people) being assigned to the machine-tool VRAs and the resolution of steel-related protests. OAC staff members are receiving, on an ongoing basis, in-house training on AD/CVD procedures.

A number of countries involved in the current steel investigations have requested exploratory consultations with a view to entering into suspension agreements, which may significantly increase the workload in that area.

OAC's travel budget needs are high because of statutorily mandated verifications. All information submitted in the steel investigations must by law be verified, and many suspension agreements require periodic verifications as well. In addition, the machine-tool VRAs have a built-in mechanism for quarterly consultations with authorities in Tokyo and Taipei.

QUESTION:

You are showing (page ITA-59 of the budget justifications) an increase in the backlog of antidumping/countervailing duty (AD/CVD) cases from 2 in FY 1992, to 75 in FY 1993, and an estimated 108 in FY 1994. Could you briefly explain this rather dramatic increase?

ANSWER:

In the last several years, we have made significant progress in reducing the AD/CVD backlog of administrative reviews. The number of backlogged reviews decreased from 210 in September 1990, down to 42 (not 2, as stated in the question) in FY 1992, and back up to approximately 75 by end of FY 1993. However, in the near term, the backlog is likely to increase. This is a result of several factors.

- The lack of budgetary resources in FY 1992 precluded routine access to mainframe computers, which are required for the manipulation of data in many of the AD/CVD reviews.
- The size of our staff in AD/CVD was limited by the hiring freeze, which was in effect from May, 1991 to September, 1992.
- During the past year a large number of our analysts were diverted from their normal duties to Canadian softwood lumber and the major steel AD/CVD investigations which have increased the strain on Compliance and all of IA's resources. Many analysts have also been required to address court remands which resulted from litigation associated with the completion of numerous previously backlogged reviews.
- We have made a concerted effort to prevent a backlog from accumulating in some major reviews, including antifriction bearings from nine countries. This deployment of resources has prevented us from devoting as much attention as we would like to other areas.
- The age and questionable condition of data submitted by respondents in some reviews, most notably tapered roller bearings (TRBs) from Japan, has greatly complicated the proceedings. The highly litigious nature of the TRB reviews has been a further obstacle.
- Difficult methodological questions raised with respect to fresh cut flowers from Colombia, TRBs, and other cases have contributed to delays in the elimination of backlog.

The outlook for elimination of the current backlog and the avoidance of future backlogs is mixed. We have been able to hire a significant number of new analysts, and our recent acquisition of more powerful personal computing equipment reduces our reliance on costly mainframes. At the same time, the AD/CVD caseload continues to increase and may jump dramatically later this year when the numerous steel cases come to order.

In order to project what the backlog situation would be for FY 1993 and FY 1994, we looked at the increase in the backlog from the end of FY 1992 through 2/93 (the time we were asked for these projections). The result was:

Backlog	9/92	42
Reviews	2/93	+14
		56

> This rate of increase was then projected for the entire fiscal year. This estimated increase came to roughly 33 cases. Hence, IA estimated that by the end of FY 1993 our backlog will increase to 75.

We applied the same rate for projecting for FY 1994, which was roughly 108 reviews.

QUESTION:

A. Is there a sunset provision for investigating AD/CVD cases?

ANSWER:

There is one existing sunset provision currently in operation in Import Administration. The provision states that, if after five years the Department has not received any notices of interest in or injury from an order, the order in question may be revoked.

QUESTION:

B. Please provide for the record, by year of case initiation, a listing of your current caseload.

ANSWER:

Attached is a copy of IA's current listing of existing AD/CVD orders in effect, as well as the AD/CVD reviews completed during FY 1992 (Attachment B).

QUESTION:

C. Is there a potential for cost reductions in this area by adjusting a sunset provision for AD/CVD cases, and would such an adjustment require legislative changes?

ANSWER:

An adjustment in the sunset provision for AD/CVD cases would probably not result in cost reductions for the Department, but the overall benefits of such change are still being assessed. Recent proposals for such changes have come from GATT negotiations. However, as domestic industry closely monitors the orders we have in place and routinely objects to sunset termination procedures when initiated, we have very rarely terminated any order through the sunset procedure. Domestic industries would most likely adapt to any adjustments in the sunset provision (such as shortening the time period from 5 years to 3 years) and continue to block the termination of orders affecting them through the sunset provision.

QUESTION:

The Commerce Department Inspector General has indicated some concerns regarding the Import Administration's handling of AD/CVD cases. In a recent investigation of a Taiwanese sweater firm, the IG included some recommendations aimed at preventing and detecting future circumvention of duty orders. Could you summarize the IG's recommendations? How do you propose to implement these recommendations?

ANSWER:

Following is a copy of Import Administration's action plan responding to the Inspector General's audit report. The recommendations of the IG's office were for IA to: (1) strengthen its verification and monitoring procedures; (2) reassess the status of firms that have been excluded from duty orders; (3) improve criteria needed to help decide which firms should be designated as manufacturers; and (4) reassess the recent policy change in the "all-others" rate. These recommendations and IA's response to the audit report are detailed in the following action plan.

AUDIT REPORT ACTION PLAN
INTERNATIONAL TRADE ADMINISTRATION
IG AUDIT REPORT NO. TTD-4640-3-0001
FEBRUARY 1993

Title of Report

ASSESSMENT OF SELECTED POLICIES
AND PROCEDURES RELATED TO THE ANTIDUMPING
AND COUNTERVAILING DUTY PROGRAM

Title of Findings

Strengthened Verification and Monitoring Procedures are Needed.

Recommendations

We recommend that the Assistant Secretary for Import Administration develop and put into practice written procedures to provide for effective implementation of the legislative requirement to verify all information used to arrive at findings before issuing final determinations. Such procedures should be sufficient to:

1. Ensure that prior to verification trips, advance preparation and coordination are adequate to search for external sources of information that could help to identify significant problems with the questionnaire responses. Specific guidance should focus on the importance of working closely with other organizations, as appropriate, including:

    -- U.S. Customs Service offices in the United States and overseas;

    -- ITA's Trade Development offices;

    -- ITA's and the Department of State's commercial offices at the appropriate overseas sites.

2. Develop written guidelines tailored to the specific and unique needs of each verification assignment. Such guidance should be developed and approved by appropriate IA units (investigation or compliance, policy, legal, and accounting) to help ensure a comprehensive and consistent approach.

3. Provide for conducting thorough and complete assessment of information submitted by firms in response to IA's questionnaires. Give careful consideration to looking beyond the specific data submitted by the firms being reviewed, with the objective of obtaining and evaluating additional information relating to case-specific issues. Guidance on this matter should point out the advantages of interviewing and obtaining documentation from subcontractors, suppliers, and firms directly or indirectly related to the respondents.

4. Ensure that the IA verification teams obtain the service of proficient foreign language interpreters who are completely independent of the firms whose records are being verified.

5. Require the verification teams to select sample sizes large enough to reliably evaluate the data presented by the foreign firms.

6. Provide for the verification teams to spend sufficient time on-site to satisfactorily examine all pertinent issues.

7. Require that, in appropriate circumstances, the verification teams employ in-depth assessment

techniques such as cash flow analysis, sources of funding analysis, internal control reviews, and asset ownership assessments.

Actions taken or to be taken

The Assistant Secretary for Import Administration will put into practice written instructions for conducting verification in AD/CVD investigations. The ability to complete each of the actions below will be dependent upon the continued availability of resources.

1. a. Issue memorandum stating that, prior to verification trips, staff will contact the following, as deemed necessary by the verification team's managers, to search for external sources of information regarding industries and companies to be verified: U.S. Customs Service headquarters and overseas offices; ITA's Trade Development offices; U.S. embassies in appropriate countries; U.S. Department of State headquarters and overseas contacts; US&FCS headquarters and overseas contacts.
target date----------9/30/93

2. a. Written guidelines on procedures for verification assignments are detailed in a memorandum dated January 25, 1993, from the Acting Assistant Secretary for Import Administration to the IA staff.

b. The Offices of Investigations, Compliance, and Accounting have been issuing "Verification Outlines" prior to verification in most cases. Import Administration will issue a memorandum stating that such outlines will be issued in all cases and be comprehensive with an opportunity for input from the offices of Policy and CC/IA.
target date------------9/30/93

3. a. Issue written guidance on evaluation of questionable data or information, the verification plan, and alternate sources of information, such as: suppliers; contractors; transportation providers; and trading companies.
target date------------9/30/93

b. Written guidance will be developed to indicate the advantages and benefits to be derived from inquiries of additional sources and sent to IA staff.
target date-----------9/30/93

4. a. Issue written instructions to all staff indicating that outside independent interpreters are to be used for all verifications in non-English

speaking countries. The instructions will provide that IA will procure interpreters through the foreign post or a source identified by the post.
target date-----------9/30/93

b. Interpreters, other than foreign service nationals, shall be required to sign a statement, written by CC/IA, certifying their independence from the firm(s) involved in the investigation and assuring that they will not divulge any information to others that they observe or hear during the course of the verification.
target date-----------9/30/93

c. A list of previously used interpreters for investigations and reviews will be established. Subsequent to each job, an evaluation will be made by staff to determine if personal services of each individual interpreter should be employed again. The list will indicate date and case for which services where rendered, cost per day/hour/overtime, place of residence, and agency employing interpreter, if applicable. Additional information to be kept current should include method of obtaining interpreter's services, and contact point.

target date-----------9/30/93

5. Import Administration will issue a memorandum indicating the required sample sizes, pre-selected sales, and surprise sales to be used in order to reliably evaluate the response.
target date-----------9/30/93

6. Written guidance will be issued indicating the sufficient time on-site to satisfactorily examine all issues related to verifications. It is understood that the actual number of days varies with the difficulty of the investigation.
target date-----------9/30/93

7. Included in the guidance to be developed in Action #3, IA verification teams will determine the appropriate circumstances in which the team will make assessments of cash flow, sources of funding, internal controls, and asset ownership.
target date-----------9/30/93

AUDIT REPORT ACTION PLAN
INTERNATIONAL TRADE ADMINISTRATION
IG AUDIT REPORT TTD-4640-3-0001
FEBRUARY 1993

Title of Report

ASSESSMENT OF SELECTED POLICIES AND PROCEDURES RELATING TO THE ANTIDUMPING AND COUNTERVAILING DUTY PROGRAM

Title of Findings

Need to Reassess the Status of Firms that Have Been Excluded from Duty Orders.

Recommendations

1. Prevent and detect circumvention of AD/CVD orders by firms that have been excluded from these orders. To help accomplish this objective, provide for IA to:

   a. Establish a system to log in and control information about possible circumvention of AD/CVD orders and ensure that such information is reviewed by top IA management.

   b. Maintain the flexibility to proceed at any time with a self-initiated reassessment of the status of an excluded firm. A reassessment should be triggered when IA obtains sufficient information to indicate a need for such action.

2. Provide criteria for use by IA personnel in determining the type of reassessment action to be initiated. Include specific guidance regarding the circumstances under which IA should proceed with (1) a less-than-fair-value investigation, or (2) a changed-circumstances review.

3. Coordinate with Customs to ensure that appropriate duty rates are applied when IA determines that existing AD/CVD orders have been circumvented by firms that ship their products through excluded companies to avoid duty assessments.

Actions taken or to be taken

1. a. To prevent and detect evasion of AD and CVD orders by excluded firms, IA is currently establishing procedures for organization and control of relevant information regarding potential evasion. Specifically, IA will establish a central point of contact on evasion matters within the Compliance program responsible for liaison with the Customs Service. Any information pertaining to the issue of evasion that is received by IA staff will be forwarded to that contact point for organization, control, and presentation, in a monthly report, to

senior management officials for further action. This report will include the status of any follow-up actions to be taken by IA staff.
target date ---------------------------------
-- 5/14/93

b. For antidumping and countervailing duty orders existing prior to the effective date of our proposed regulations on exclusions, the Department possesses the authority to proceed at any time with a self-initiated reassessment of the status of an excluded firm. A memorandum regarding when and how such a reassessment should take place will be issued to all IA staff.
target date ---------------------------------
- 8/15/93

In final determinations and antidumping/countervailing duty orders containing exclusions, issued on or after February 12, 1993, the date of signature of the Final Determination of Sales at Less than Fair Value: Steel Wire Rope from Korea, we are explicitly stating that the Department has the authority to conduct a changed circumstances review to determine whether the excluded companies are reselling the subject merchandise produced by other companies in the subject country, and that a preliminary or final affirmative finding could result in suspension of liquidation of all entries of the excluded companies. We have issued a memorandum to all IA personnel indicating this new practice.
target date for insertion of new language in Federal Register notices ------------------
2/12/93 and ongoing

target date for memorandum ------4/7/93

2. If we eliminate exclusions through new regulations, this recommendation will be moot for cases in which the final determinations are issued subsequent to the effective date of those regulations. Import Administration has drafted proposed regulations that would eliminate exclusions and has forwarded the regulations to the Office of Assistant General Counsel for Legislation and Regulation for final Departmental approval.
target date for submission of proposed regulations to the Office of Assistant General Counsel for Legislation and Regulation -------------------------------
3/31/93

target date for submission of proposed regulations to OMB for approval ------------------------------ 4/26/93

target date for publication of the proposed regulations in the Federal Register ------------------------- 5/5/93

target date for effective date of the final regulations -------------10/8/93

With respect to antidumping/countervailing duty orders pursuant to final determinations issued prior to the effective date of new regulations, IA will issue guidelines for IA staff to use in evaluating the appropriate action to be taken when allegations of potential evasion are received. In addition, IA will provide written guidance regarding other routine steps that might be taken to help prevent evasion.
target date -----------------8/15/93

3. a. IA is currently doing the following, and will include in a memorandum to all IA staff a directive to:

1. include, in all instructions to Customs that pertain to excluded companies, language that will make clear the basis of the exclusion (e.g., exclusion as a manufacturer and seller only);

2. instruct Customs to collect the appropriate deposits and assess the appropriate amounts whenever the Department has found that an antidumping or countervailing duty order has been evaded by shipments made through excluded companies.
target date for memorandum -------- 8/15/93

b. In the existing Customs/Commerce Liaison Committee Import Administration will coordinate efforts to clarify any potential problems dealing with the aforementioned instructions.

We note that our ability to carry out some of the above actions may be subject to resource constraints.

AUDIT REPORT ACTION PLAN
INTERNATIONAL TRADE ADMINISTRATION
IG AUDIT REPORT NO. TTD-4640-3-0001
FEBRUARY 1993

Title of Report

ASSESSMENT OF SELECTED POLICIES AND PROCEDURES RELATING TO THE ANTIDUMPING AND COUNTERVAILING DUTY PROGRAM

Title of Findings

Improved Criteria Needed to Help Decide Which Firms Should be Designated as Manufacturers.

Recommendations

1. Develop criteria and operational AD/CVD guidance for use by IA personnel in determining whether to designate individual firms as manufacturers. The criteria and guidance should focus specifically on issues relating to controlling production and setting first price in U.S. market.

2. Ensure that IA personnel who conduct the AD/CVD reviews are fully informed about the criteria. Provide the personnel who conduct the on-site verifications with sufficient guidance to make consistent and reasonable decisions in designating firms as manufacturers.

3. Advise the U.S. Customs Service to take the following actions for MMF sweaters identified as being manufactured by Jia Farn and Modern Knitting and shipped to U.S. markets.

   a. Withhold final settlement (liquidation) of all U.S. entries completed on or after April 27, 1990 (the date of IA's preliminary on the original dumping order). Customs should apply the appropriate duty rates on these completed shipments.

   b. Assess appropriate duties on all future U.S. entries of MMF sweaters identified as being manufactured by Jia Farn and Modern Knitting.

Actions taken or to be taken

1. The Acting Assistant Secretary for Import Administration has instructed a working group of representatives from each of IA's operating offices to develop an IA Policy Bulletin which will specify the standards and criteria for determining whether a firm is a "manufacturer" within the meaning of the AD/CVD laws.
   target dates:
   draft for circulation and comments-6/30/93
   approved Policy Bulletin-----------8/31/93

2. Each IA case analyst will be provided a copy of the approved Policy Bulletin. Additionally, detailed guidance on this subject will be provided in conjunction with the "Actions to be taken" under the section of this plan concerning verification procedures.

target date----------------------------9/30/93

3. a. This was accomplished in the preliminary determination in the changed circumstances review of MMF sweaters from Taiwan, published on November 27, 1992. The liquidation of all entries of MMF sweaters from Jia Farn on or after April 27, 1990 (which had not previously been liquidated) was ordered suspended. Entries from Modern Knitting have been suspended since the preliminary determination in the original investigation (4/27/90). Further, Customs was instructed to collect estimated antidumping duties on all entries from Jia Farn at the "all others" rate of 21.3 percent.

b. Antidumping duties will be assessed on all suspended and future entries of MMF sweaters from Jia Farn and Modern Knitting pursuant to annual reviews conducted under Section 751 of the Tariff Act of 1930, as amended (19 U.S.C. 1675). Such reviews are conducted pursuant to a request by an interested party (typically a U.S. producer or a foreign producer or U.S. importer) and normally concluded one year after initiation. In the absence of a request for a review, antidumping duties are assessed at the deposit rate for the period in question.

Import Administration considers this recommendation acted upon and closed.

We note that our ability to carry out some of the above actions may be subject to resource constraints.

AUDIT REPORT ACTION PLAN
INTERNATIONAL TRADE ADMINISTRATION
IG AUDIT REPORT NO. TTD-4640-3-0001
FEBRUARY 1993

Title of Report

ASSESSMENT OF SELECTED POLICIES AND PROCEDURES RELATING TO THE ANTIDUMPING AND COUNTERVAILING DUTY PROGRAM

Title of Findings

Need to Reassess the Recent Policy Change in the All-Others Rate.

Recommendations

1. Reexamine and revise, as appropriate, the recent policy change in the method used to calculate the all-others rate for administrative reviews. As part of this reexamination, provide for the development of a policy that

   -- eliminates the current loophole allowing duty rates to be manipulated by groups of foreign firms that volunteer certain firms for review while the more serious offenders refuse to participate, and

   -- uses the best information available for those uncooperative firms that refuse to participate in the reviews or that provide unreliable data.

2. Establish appropriate internal controls over the process used to develop, review, and approve policy changes in the AD/CVD program.

3. Ensure that proposed regulation changes are promptly published in the Federal Register so that all interested parties, including the business community, can have an opportunity to provide comments on these proposals.

Actions taken or to be taken

1. Import Administration will review the calculation of the all others rate and prepare proposed regulations to implement any changes. Explicit provisions for calculating all others and new shippers rates are still tentative subject to completion of GATT Round Code Negotiations.

   target dates:

   Present Options to Assistant Secretary---------------6/30/93

   Circulate Draft Regulations for IA Comment-----------8/16/93

Approval of Regulations by Assistant Secretary-------9/30/93

Approval by Office of Management and Budget---------11/30/93

Publication of Proposed Regulations in Federal Register-----12/10/93

Receive Comments from public-------------------------2/28/94

Complete review of and prepare responses to comments--------5/31/94

Forward regulations to OMB for review----------------6/20/94

Publish in Federal Register---------------------------8/1/94

2. The Assistant Secretary will issue a memorandum to all Import Administration staff reminding them that all staff-originated changes in policy, whether accomplished by determinations in particular cases, Policy Bulletins, or regulations, are to be reviewed by the appropriate operating offices, and the offices of Policy and Chief Counsel. Such changes will not be approved by the Assistant Secretary unless accompanied by concurrence forms indicating the required review took place.
    target date for circulation of memorandum to staff--------------------------------5/31/93

3. A determination of the proper medium for a proposed new policy or a change in a policy not codified in an existing regulation must be made for each issue and in consultation with the Office of Chief Counsel for Import Administration. Should it be determined that any change must be established through regulation, no change in policy will be implemented until the new regulation is effective.

    In order to facilitate understanding of the proper medium for policy changes, the Assistant Secretary will request the Chief Counsel, Import Administration to prepare guidance to IA staff for making policy changes through regulation, rather than as determinations in individual cases or by internal memoranda.
    target date for Chief Counsel to issue guidance-----------------------------6/30/93

We note that our ability to carry out some of the above actions may be subject to resource constraints.

EXHIBIT 7

DAO 213-5

AUDIT ACTION PLAN

TO: George E. Ross
Assistant Inspector General for Compliance
and Audit Resolution

THRU: Alan Neuschatz
Director of Administration

FROM: Mary Ann McFate
Director,
Office of Organization and Management Support

SUBJECT: Audit Report No. TTD-4640-3-0001

Report Date: February 1993

Audited Entity: International Trade Administration/
Import Administration

The following describes the actions this agency proposes to take in response to the above-referenced audit report.

- Title of Finding: Improved Criteria Needed to Help Decide Which Firms Should be Designated as Manufacturers.
- OIG's Recommendation: Funds to be put to better use.
- Rationale and/or Legal Basis for Rejection of OIG's Recommendation:

The IG Audit Report, under this heading, estimates that an additional $27 million in antidumping duties could be collected on entries of MMF sweaters from Jia Farn and Modern Knitting through December 31, 1994. Whether any antidumping duties will be collected is uncertain now because of litigation contesting the injury determination of the International Trade Commission (ITC). The ITC determined, pursuant to an earlier judicial remand of its original affirmative injury determination, that MMF sweaters from Taiwan did not cause or threaten injury to the U.S. industry. If this determination is sustained on appeal, the Antidumping Duty Order on MMF sweaters from Taiwan must be revoked (as of the date of its original entry into force) and no duties could be finally assessed (assuming that an injunction against assessment and liquidation pending the final court decision is issued). If, however, the ITC's determination is reversed and the Order continues in effect, antidumping duties would be determined and assessed as described in the Audit Report Action Plan.

The Audit Report's figure of $27 million in additional antidumping duties is based upon the "all other" rate currently being used as the basis for deposit of estimated duties; sales volume figures for the two companies for part of 1990 and all of 1991; an assumption that all of Jia Farn's 1991 and 1992 entries remain unliquidated; and a projection of import volume for 1992, 1993, and 1994 (at the same level as in 1991). The sales volume figures used represent total company sales (taken from their financial statements), not sales to the U.S. Those figures almost certainly were lower. The Customs Service has been requested to provide information on the value of entries from Jia Farn prior to 11/27/92, the liquidation of which has been suspended, but has not yet responded. Very likely some Jia Farn entries have been liquidated and are thus beyond the reach of the law. Further, the import volume projections for 1993 and 1994 are most likely overestimated, given the Department's action in November 1992 to suspend liquidation on Jia Farn's entries. Finally, what antidumping rates will be determined in reviews yet to be conducted cannot reasonably be estimated at this time. Thus, although no reliable estimate of antidumping duty assessments on Jia Farn and Modern Knitting entries can be made at this time, the total figure will be substantially less than $27 million.

It also must be noted that IA only determines the appropriate amount of antidumping duties and instructs the Customs Service to assess them. Once collected by Customs, such duties are deposited into the general revenues of the Treasury. The Department of Commerce neither collects nor has any control or influence over the disposition of such funds. Savings will, therefore, not accrue to the Commerce Department.

- Dollar Value of Funds to be Put to Better Use: OIG's estimate is $27 million.
- OIG Concurrence: ______________________________ Date

Commercial Information Management System

QUESTION:

What is the current status of the installation of the Commercial Information Management System (CIMS) in overseas and domestic sites?

ANSWER:

Through the end of April 1993, CIMS+ has been installed at 125 sites (out of 196). Sixty-nine (69) domestic and 56 international sites are now using CIMS+ at an average 1.5:1 user to terminal ratio. The remaining 71 international sites will be installed in FY 1993 maintaining this average ratio.

All field sites of the United States and Foreign Commercial Service (US&FCS) will be installed at a 1:1 user to terminal ratio in FY 1994. The headquarters offices of the US&FCS will also receive office automation capability at a 1:1 user to terminal ratio in FY 1994.

Attachments (3): FY 1992 CIMS+ Sites Implemented (103 Sites)
FY 1993 CIMS+ Sites Implemented YTD (22 Sites)
FY 1993 Sites Not Yet Implemented (71 Sites)

Attachment

FY 92 CIMS+ Sites Implemented (103 Sites)

Albuquerque
Alexandria
Anchorage
Atlanta
Augusta
Austin
Baltimore
Belem
Belo Horizonte
Birmingham
Bonn
Boise
Boston
Brasilia
Brisbane
Buffalo
Cairo
Calgary
Charleston, SC
Charleston, WV
Chicago
Cincinnati
Clearwater
Cleveland
Columbia, SC
Concord, NH
Dallas
Denver
Des Moines
Detroit
Gaithersburg
Grand Rapids
Greensboro
Guadalajara
Halifax
Hartford
Honolulu
Indianapolis
Jackson, MS
Kansas City
Kuala Lumpur
Knoxville
Little Rock
London
Los Angeles
Louisville
Melbourne
Memphis
Mexico City
Mexico City Trade Center
Miami
Milwaukee
Minneapolis
Monterrey
Montreal
Nagoya
Naples
Nashville
New Delhi
New Orleans
Newport Beach, CA
New York
Oklahoma City
Omaha
Orlando
Osaka-Kobe
Ottawa
Paris
Perth
Philadelphia
Phoenix
Pittsburgh
Portland
Providence, RI
Reno
Richmond
Rio De Janiero
Rochester
Rockford
Rome
San Diego
Salt Lake City
Santa Clara
San Francisco
San Juan
Santiago
Sao Paulo
Sapporo
Savannah
Seattle
Singapore
Spokane
St. Louis
Sydney
Tallahassee
Tokyo
Tokyo Trade Center
Toronto
Trenton
Tulsa
Vancouver
Wheaton
Wichita

Attachment

FY 93 CIMS+ Sites Implemented YTD (22 Sites)

Beijing
Berlin
Copenhagen
Dhahran
Dublin
Dusseldorf
Frankfurt
Fukuoka
Genoa
Hamburg
Kuwait
Jeddah
Lisbon
Milan
Munich
Oslo
Paris
Riyadh
Seoul
Shanghai
Stockholm
Stuttgart

Attachment

FY 93 Sites Not Yet Implemented (71 Sites)

- Abidjan
- Abidjan MLB
- Abu Dhabi
- Algiers
- Almaty
- Amsterdam
- Ankara
- Athens
- Auckland
- Bangalore
- Bangkok
- Barcelona
- Bern
- Bogota
- Bombay
- Bratislava
- Brussels
- Budapest
- Bucharest
- Buenos Aires
- Calcutta
- Capetown
- Caracas
- Casablanca
- Dubai
- EC Brussels
- Guatemala
- Guayaquil
- Hague
- Helsinki
- Hong Kong
- Istanbul
- Izmir
- Jakarta
- Johannesburg
- Kaduna
- Kaoshiung
- Karachi
- Khabarovsk
- Kiev
- Kingston
- Lagos
- Lahore
- Leipzig
- Lima
- Madras
- Madrid
- Manila
- Manila MLB
- Medan
- Moscow
- Nairobi
- Oporto
- Panama City
- Prague
- Quito
- Rabat
- San Jose
- Santo Domingo
- Shenyang
- Sophia
- St. Petersburg
- Surabaya
- Taipei
- Tashkent
- Tegucigalpa
- Tel Aviv
- Vladivostok
- Vienna
- Warsaw
- Wellington

QUESTION:

How many sites will have the latest version of CIMS installed and operating by the end of fiscal year 1993?

ANSWER:

All US&FCS overseas and domestic sites (196) will have the latest version of CIMS+ installed and operating by the end of fiscal year 1993. Headquarters is scheduled to be installed in FY 1994.

QUESTION:

How many sites will have the National Trade Data Bank available by the end of FY 1993?

ANSWER:

All active US&FCS overseas and domestic sites (196) currently have one microcomputer with a CD-ROM drive capable of accessing the monthly CD-ROM distributed by the Department of Commerce that contains the National Trade Data Bank. All have an annual subscription to NTDB. Headquarters currently has a very limited number of NTDB units.

QUESTION:

Have these installation plans changed from what was proposed a year ago?

ANSWER:

No, the implementation schedule currently being implemented is consistent and on schedule with plans proposed in FY 1992.

QUESTION:

What is the current status of the electronic mail system project?

ANSWER:

All US&FCS domestic sites have electronic mail capability through the AT&T/FTS 2000 system. International electronic mail capability has been installed at 27 overseas sites through the Department of State telecommunication system. One-hundred and four (104) sites remain to be installed.

Attachments (2):
    Overseas CIMS+ Sites with International Email (FY 92/FY 93)
    Remaining Sites Currently without International Email

Attachment

Overseas CIMS+ Sites with International Email (FY 92/FY 93)

A. FY 92 CIMS+ Sites with International Email (25 Sites)

Bonn
Brasilia
Cairo
Calgary
Halifax
Kuala Lumpur
London
Melbourne
Mexico City
Mexico City Trade Center
Monterrey
Montreal
New Delhi
Osaka-Kobe
Ottawa
Rio De Janeiro
Rome
Santiago
Sao Paulo
Singapore
Sydney
Tokyo
Tokyo Trade Center
Toronto
Vancouver

B. FY 93 CIMS+ Sites with International Email (YTD) (2 Sites)

Frankfurt
Paris

Attachment

Overseas CIMS+ Sites without International Email (104 Sites)

Abidjan
Abidjan, MLB
Abu Dhabi
Alexandria
Algiers
Almaty
Amsterdam
Ankara
Athens
Auckland
Bangalore
Bangkok
Barcelona
Beijing
Belo Horizonte
Berlin
Bern
Bogota
Bombay
Bordeaux
Bratislava
Brisbane
Brussels
Brussels, EC
Bucharest
Budapest
Buenos Aires
Calcutta
Cape Town
Caracas
Casablanca
Copenhagen
Dhahran
Dubai
Dublin
Dusseldorf
Florence
Fukuoka
Genoa
Guangzhou
Guadalajara
Guatemala
Guayaquil
Hamburg
Helsinki
Hong Kong
Istanbul
Izmir
Jakarta
Jeddah
Johannesburg
Kaohsiung
Karachi
Khabarovsk
Kiev
Kuwait
Lagos
Lahore
Leipzig
Lima
Lisbon
Lyon
Madras
Madrid
Manila
Manila, MLB
Marseille
Medan
Milan Trade Center
Moscow
Munich
Nagoya
Nairobi
Naples
Nice
Oporto
Oslo
Panama City
Perth
Prague
Quito
Rabat
Riyadh
San Jose
Santo Domingo
Sapporo
Seoul
Shanghai
Shenyang
Sophia
St. Petersburg
Stockholm
Strasbourg
Stuttgart
Surabaya
Taipei
Tashkent
Tel Aviv
The Hague
Vienna
Vladivostok
Warsaw
Wellington
Zurich

Current Status Implementing CIMS at Headquarters

QUESTION:

What is the status of implementing the CIMS system at ITA headquarters?

ANSWER:

ITA/US&FCS headquarters implementation is planned for FY 1994. All steps necessary to complete the headquarters implementation (purchase hardware and software, install hardware and software, complete necessary custom software changes, and train users) will begin in FY 1994 as planned. We hope to complete the upgrade no later than the end of FY 1994.

Administrative Overhead

QUESTION:

Each of the four ITA operating units' budgets include "overhead" to support the operations of central ITA management. In a response to a question for the record last year, you stated that the overhead was not charged to each account, but rather distributed by line item for the budget request.

a. On what basis are administrative overhead costs allocated to each unit of ITA?

b. What share of ITA's budget to these costs represent, and what has been the trend over time for this share?

ANSWER:

The "overhead" costs distributed by line item in ITA's budget has three components:

- Executive Direction, which covers the costs of the offices of the Under Secretary and Deputy Under Secretary, Public Affairs, and Legislative and Intergovernmental Affairs.

- Administrative Services, which covers the costs of providing services such as personnel, information resources management, budget and financial management, and management analysis.

- Centralized Services, which, unlike the above two components, is not support of ITA central management, but rather represents direct support costs of ITA operating programs which are paid centrally. From this account are paid items such as space rent, utilities, telephones, postage, and payments to the Department of Commerce for the General Counsel's trade-related activities.

These overhead costs are allocated across program line items according to the following formula:

- Executive Direction's costs are allocated prorata by all FTE (full-time equivalency) contained in each line item.

- Administrative Services costs are allocated prorata by non-foreign FTE contained in each line item. (Since administrative support for foreign FTE is largely provided by the Department of State, the costs for ITA's Administrative Services are not allocated to the foreign FTE.)

- Centralized Services costs are divided into three categories: support for headquarters staff, support for domestic field staff, and support for foreign field staff. These costs are then allocated by line item in proportion to each line item's respective share of ITA's total headquarters, domestic, and foreign FTE.

The table below shows the share each of the overhead accounts comprises of ITA's total budget over time. The shares have generally been declining.

	Percent of ITA Total Budget (Appropriated Budget Authority)					
	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94 (req.)
Exec. Direction	1.05%	0.97%	1.00%	0.95%	0.91%	0.81%
Admin. Services	3.36%	3.11%	3.22%	3.07%	3.17%	2.86%
Cent. Services	12.69%	12.90%	12.86%	11.90%	11.72%	11.06%

QUESTION:

How much of your budget request of $246.3 million represents overhead charges? What portion of these overhead charges is attributable to US&FCS?

ANSWER:

For FY 1994, the ITA request of $246.3 million contains the following amounts for the three overhead accounts described above:

Executive Direction --	$ 2.0 million
Administrative Services --	$ 7.0 million
Centralized Services --	$27.2 million

Not included in these totals is approximately $11 million included in the US&FCS budget request for payment to the

Department of State ("FAAS" payment) for overseas administrative support.

The US&FCS budget contains three line items, Programs and Management, International Operations, and Domestic Operations. The total budget request for these three line items is $140.6 million, including $12.6 million in distributed ITA overhead costs plus approximately $11 million for FAAS. The ITA overhead amounts distributed to those line items is shown in the table below:

	Overhead Distribution to US&FCS Line Items (dollars in thousands)			TOTAL
Overhead Account	Programs & Mgt	Internatl Ops.	Domestic Ops.	US&FCS
Exec. Direction	99	757	287	1,143
Admin. Services	548	165	1,590	2,303
Cent. Services	2,026	3,462	3,674	9,162
TOTAL	2,673	4,384	5,551	12,608

QUESTION:

To what extent has ITA modified its overhead allocation of its appropriation for its operating components once the funds have been appropriated by the Congress in FY 1992 and FY 1993?

a. If so, what circumstances necessitated these actions?

b. Have these actions been disruptive to the missions of ITA's operating components?

c. Would creation of separate budget line items for ITA overhead expenses and each operating component within ITA impose greater discipline and result in smoother delivery of services by ITA's operating components?

ANSWER:

In FY 1993 there was no modification of the overhead allocation.

In FY 1992 ITA increased the budget allocation for the Executive Direction component of overhead by $1.6 million, those funds being derived on a prorata basis, by dollars, across all of ITA's program line items. These funds were needed to undertake unbudgeted trade initiatives of the Secretary of Commerce including establishment of the Trade Promotion Coordinating Committee, establishment of the Trade Information Center, and implementation of the National Export Initiative. These funds only comprised about three-quarters of one percent of ITA obligations.

This modification was made with the intent of meeting the highest priority goals and objectives of the Department of Commerce and ITA. As befits an important budget and management action, careful judgment, consideration and weighing of priorities and programmatic impacts went into the decision to implement the Secretarial trade initiatives. While impacts on some ITA programs were unavoidable, top ITA and DOC management chose what it believed was the optimal program mix for accomplishing its mission.

ITA sees no need to modify its budget structure at this time. The current structure poses no impediment to the smooth delivery of services. Should it ever do so, ITA and the Department of Commerce will advise OMB and the appropriations subcommittees and seek appropriate changes.

Trade Information Center

QUESTION:

What is the status of the Trade Information Center "800" number program? What is in the request for this program?

ANSWER:

Since opening in May 1991, the Trade Information Center has provided timely, accurate, "on-the-spot" counseling to over 85,000 businesses nationwide on its toll-free line, 1-800-USA-TRADE (1-800-872-8723). Approximately sixty percent of these calls are from small and medium-sized businesses. Currently, trade specialists provide information to over 1,100 callers per week, mostly new-to-export and new-to-market firms. About one-third of the calls the Center receives are from manufacturers, one-third are from distributors or export trading companies, and the remainder from consultants, service providers, government or private sector export assistance organizations. Approximately two-thirds of the calls received by the Center are answered in-house. When necessary, callers are directed to a specific contact outside the office for in-depth counseling.

The Center is recognized at Commerce, at other TPCC agencies, and with the business public as the "one-stop-shop" for export assistance provided by the U.S. Government. Many calls are directed to the Center from throughout the Federal system. Additionally, the Center is recognized by state and local governments as a comprehensive clearinghouse for information on a national scale.

Additionally, the Center supports the TPCC in several ways. For example, the Center maintains and updates a computerized calendar of U.S. government-sponsored domestic and overseas trade events. The calendar appears on the Economic Bulletin Board for the

TPCC's 19 member agencies and the general public. The Center also maintains a database of substantive callers which tracks all relevant business information (e.g. size of company, level of exporting, geographic area of interest, etc.) for purposes of client tracking and follow-up. Tailored caller reports have been sent to TPCC agencies such as the Department of Agriculture, Small Business Administration, and the Trade and Development Agency, for their information and follow-up.

Funds to operate the Trade Information Center are not specifically delineated in the ITA FY 1994 Budget proposal, however, we will attempt to operate the center using base resources.

QUESTION:

What level of support has been provided by other agencies to operate the Trade Information Center since its inception? Will the other member of the Trade Promotion Coordination Committee continue to provide support to the Center in FY 1994?

ANSWER:

The Trade Information Center received personnel detailed from other agencies from OPIC, SBA, and AID, particularly in its start-up stages. The support from these agencies was a great boost to the Center and greatly assisted in getting the Center "off the ground". Currently, there are no plans to detail any personnel from TPCC agencies to the Center in FY 1994. However, the Center maintains strong ties with many TPCC agencies and detailees from other agencies could certainly take place. There has been no financial support from other agencies for the Center.

QUESTION:

What means do you have of evaluating the success of the Center? Are any follow-up actions taken to determine what success a caller may have had in solving his or her problem or making the right connection?

ANSWER:

There are a number of ways the effectiveness of the Trade Information Center is assessed. Primarily, one can look to the phone call volume which has steadily increased since May 1991. When the Center first opened, it was taking in approximately 200 calls a week. Currently, the Center counsels over 1,100 callers a week, approximately 85,000 businesses in total since it opened. Also, the Center recently mailed out a quality assurance survey to a random sampling of businesses which contacted it for export advice. The surveys received to date are overwhelmingly positive and indicate overall satisfaction with the services provided.

Additionally, the Center has received numerous letters of thanks from businesses it has assisted. The Center has been the subject of numerous and positive articles in the trade press, which have increased the public's awareness of the Center.

HEADQUARTERS OFFICE AUTOMATION

QUESTION:

What is the total request for the ITA Headquarters automation initiative? Provide for the record a breakdown of the request by each of the operating units showing the amounts requested for software development, purchase of hardware and maintenance of the network.

ANSWER:

There is no request for an ITA Headquarters automation initiative in FY 1994. (There was an increase request for FY 1993 but funds were not appropriated.) Contained within the base for FY 1994 are funds to install CIMS+ in US&FCS headquarters in keeping with the implementation of the CIMS+ schedule.

QUESTION:

How does this system relate to CIMS? Will this automation effort allow better communications with the ITA field locations?

ANSWER:

The only Headquarters automation planned for FY 1994 is CIMS+ for US&FCS. Communications between US&FCS headquarters and its field locations will be enhanced through inclusion of foreign posts into US&FCS' electronic mail network (see separate question on electronic mail).

QUESTION:

When will this automation effort be completed? What are the expected outyear resource requirements, and how much has been spent on this initiative in FY 1992 and to date in FY 1993?

ANSWER:

US&FCS' headquarters automation will be complete by the end of FY 1994. No ITA headquarters automation project has been funded in previous years nor is one requested for FY 1994.

Overseas Development Projects

QUESTION:

Major development projects overseas can represent important export opportunities, particularly if identified early and made known to the appropriate U.S. businesses.

How early is Commerce able to identify these types of leads to U.S. firms?

ANSWER:

While the specific time frame for the identification of development projects depends on the country and the source of financing, many are identified a year or more in advance. Overseas posts report on major development projects financed by the multilateral banks and other sources through ITA's Major Projects Reference Room, the Economic Bulletin Board (EBB), the National Trade Data Bank (NTDA), the Journal of Commerce, the Commerce Business Daily, and other electronic and printed media. Foreign government tenders and private trade opportunities are also disseminated through these same channels.

As projects are brought to the MBDs's for consideration, the ITA procurement liaison officers at the World Bank, the Inter-American Development Bank, the European Bank for Recovery and Development (EBRD), Asian Development Bank (ADB), and the African Development Bank (AfDB) report on a regular basis using these dissemination tools. Monthly operational summaries prepared by bank staffs contain information on projects and are available to U.S. firms on a subscription basis.

QUESTION:

What studies have you done to indicate how U.S. firms fared in pursuing these leads and what types of foreign competition they encountered?

ANSWER:

We are not aware of any comprehensive studies on how well U.S. firms fare overall on development projects. Some projects may encompass hundreds or even thousands of separate tenders; others only one all inclusive "turnkey" contract with the contractor responsible for all the construction subcontracts and procurement of supplies. We do know that U.S. firms had 41 percent of the $10 billion international design and U.S. contractors 46 percent of the $152 billion international construction markets in 1991. In 1992, U.S. firms received 16 percent of the consulting projects awarded by the EBRD as well as 38 percent of all private sector projects awarded by the EBRD. At the ADB, U.S. firms received 18 percent of all consulting opportunities in 1992. U.S. companies are encountering intense competition from both our traditional trading partners and increasingly from the Newly Industrialized Countries (NIC's).

QUESTION:

What improvements could be made in your present system to make U.S. businesses aware of major overseas development projects, and what further types of assistance might be needed?

ANSWER:

We are working to expand our delivery system on development project opportunities. To provide additional assistance to counter foreign competition, we are increasing the advocacy of senior government officials on behalf of specific bidders representing U.S. economic interest.

Inspector General and Other Investigative Reports

QUESTION:

An assertion made by the Commerce IG, GAO, and our own Surveys and Investigations Staff reports is that management deficiencies within ITA adversely impact on the delivery of Federal assistance to U.S. exporters. Do you agree with the premise that serious management deficiencies exist today within ITA?

ANSWER:

We do not agree that serious management deficiencies exist within ITA. As with any organization, there are differing approaches to delivering our programs to U.S. exporters. We have responded positively to the concerns raised in the various reports and have implemented improvements in our program operations. We are also working vigorously through the TPCC to improve the Federal Government's overall delivery of trade promotion services.

QUESTION:

Do you believe a significant reorganization of ITA is necessary? Would more modest modifications to the management of ITA be perhaps more effective?

ANSWER:

We do not believe a significant reorganization of ITA is needed. ITA strives continually to modify its program operations and its organization structure as needed to respond to ever changing export opportunities. ITA has conducted reviews of the U.S. and Foreign Commercial Service (US&FCS) and Trade Development units and has implemented a number of management, program and organizational changes recommended in the reviews. We have recently established a Trade Events Board to assure ITA-wide coordination of our trade promotion programs and a trade information task group to improve collection and dissemination of trade information to the exporting community. We believe these and other efforts will improve the effectiveness of ITA programs.

Attachment A

05-May-93

Office of Domestic Operations
Summary of Domestic Field

	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
Region I	64	62	68
Region II	54	51	56
Region III	67	63	70
Region IV	45	44	48
Region V	62	61	65
Total	292	281	307

STATES OF REG I	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
CONNECTICUT	HARTFORD	6.00	7.00	6.00
MAINE	AUGUSTA*	1.00	1.00	1.00
MASSACHUSETTS	BOSTON	12.00	11.00	12.00
NEW HAMPSHIRE	PEASE*	1.00	1.00	1.00
NEW JERSEY	TRENTON	8.00	8.00	10.00
NEW YORK		20.00	22.00	21.00
	BUFFALO	4.00	4.00	4.00
	ROCHESTER*	1.00	1.00	1.00
	NEW YORK CTY	15.00	17.00	16.00
PENNSYLVANIA		17.00	13.00	18.00
	PHILADELPHIA/1	13.00	9.00	13.00
	PITTSBURGH	4.00	4.00	5.00
RHODE ISLAND	PROVIDENCE*	1.00	1.00	1.00
TOTAL		64.00	62.00	68.00

NOTE*: Branch Office
NOTE 1: 2 Regional Staff Positions in Philadelphia

STATES OF REG II	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ALABAMA	BIRMINGHAM	4.00	4.00	4.00
FLORIDA		9.00	8.00	10.00
	MIAMI	6.00	5.00	7.00
	CLEARWATER*	1.00	1.00	1.00
	ORLANDO*	1.00	1.00	1.00
	TALLAHASSE*	1.00	1.00	1.00
GEORGIA		10.00	9.00	10.00
	ATLANTA/2	8.00	7.00	8.00
	SAVANNAH	2.00	2.00	2.00
MARYLAND		5.00	4.00	5.00
	BALTIMORE	4.00	3.00	4.00
	GAITHERSBURG*	1.00	1.00	1.00
MISSISSIPPI	JACKSON	2.00	2.00	2.00
NORTH CAROLINA	GREENSBORO	8.00	8.00	8.00
PUERTO RICO	SAN JUAN	2.00	3.00	2.00
SOUTH CAROLINA		4.00	3.00	4.00
	CHARLESTON*	1.00	0.00	1.00
	COLUMBIA	3.00	3.00	3.00
TENNESSEE		5.00	5.00	6.00
	KNOXVILLE*	1.00	1.00	1.00
	MEMPHIS*	1.00	1.00	1.00
	NASHVILLE	3.00	3.00	4.00
VIRGINIA	RICHMOND	5.00	5.00	5.00
TOTAL		54.00	51.00	56.00

NOTE*: Branch Office
NOTE 2: 3 Regional Staff Positions in Atlanta

STATES OF REG III	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ILLINOIS		13.00	13.00	14.00
	CHICAGO	11.00	11.00	12.00
	ROCKFORD*	1.00	1.00	1.00
	WHEATON*	1.00	1.00	1.00
INDIANA	CARMEL	7.00	7.00	7.00
KENTUCKY	LOUISVILLE	3.00	3.00	3.00
MICHIGAN		12.00	11.00	12.00
	DETROIT	10.00	9.00	10.00
	GRAND RAPIDS*	2.00	2.00	2.00
MINNESOTA	MINNEAPOLIS	5.00	5.00	6.00
OHIO		17.00	15.00	18.00
	CINCINNATI/3	10.00	8.00	11.00
	CLEVELAND	7.00	7.00	7.00
WEST VIRGINIA	CHARLESTON	4.00	4.00	4.00
WISCONSIN	MILWAUKEE	6.00	5.00	6.00
Total		67.00	63.00	70.00

NOTE*: Branch Office
NOTE 3: 3 Regional Staff Positions in Cincinnati

STATES OF REG IV	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ARKANSAS	LITTLE ROCK	4.00	4.00	4.00
COLORADO	DENVER	3.00	3.00	4.00
IOWA	DES MOINES	3.00	2.00	3.00
KANSAS		4.00	4.00	4.00
	KANSAS CITY	3.00	3.00	3.00
	WICHITA*	1.00	1.00	1.00
LOUISIANA	NEW ORLEANS	4.00	4.00	4.00
MISSOURI	ST. LOUIS/4	8.00	9.00	8.00
NEBRASKA	OMAHA	2.00	2.00	2.00
OKLAHOMA		2.00	2.00	3.00
	OKLAHOMA CITY	1.00	1.00	2.00
	TULSA*	1.00	1.00	1.00
TEXAS		15.00	14.00	16.00
	DALLAS	7.00	6.00	8.00
	ALBUQUERQUE, NM*	1.00	1.00	1.00
	AUSTIN*	1.00	1.00	1.00
	HOUSTON	6.00	6.00	6.00
TOTAL		45.00	44.00	48.00

NOTE*: Branch Office
NOTE 4: 4 Regional Staff Positions in St. Louis

STATES OF REG V	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ALASKA	ANCHORAGE	2.00	2.00	2.00
ARIZONA	PHOENIX	4.00	4.00	4.00
CALIFORNIA		38.00	39.00	39.00
	LOS ANGELES	11.00	12.00	12.00
	NEWPORT BEACH*	5.00	5.00	4.00
	SAN DIEGO	6.00	6.00	5.00
	SAN FRANCISCO/5	15.00	15.00	16.00
	SANTA CLARA*	1.00	1.00	2.00
HAWAII	HONOLULU	2.00	2.00	2.00
NEVADA	RENO	2.00	2.00	2.00
OREGON		5.00	5.00	6.00
	PORTLAND	4.00	4.00	5.00
	BOISE, ID*	1.00	1.00	1.00
UTAH	SALT LAKE CITY	3.00	3.00	3.00
WASHINGTON		6.00	4.00	7.00
	SEATTLE	5.00	3.00	6.00
	TRI CITIES*	1.00	1.00	1.00
TOTAL		62.00	61.00	65.00

NOTE*: Branch Office
NOTE 5: 4 Regional Staff Positions in San Francisco

05-May-93

Office of Domestic Operations
Summary of Domestic Field

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MASSACHUSETTS	BOSTON	12.00	11.00	12.00
NEW HAMPSHIRE	PEASE*	1.00	1.00	1.00
NEW JERSEY	TRENTON	8.00	8.00	10.00
NEW YORK		20.00	22.00	21.00
	BUFFALO	4.00	4.00	4.00
	ROCHESTER*	1.00	1.00	1.00
	NEW YORK CTY	15.00	17.00	16.00
PENNSYLVANIA		17.00	13.00	18.00
	PHILADELPHIA/1	13.00	9.00	13.00
	PITTSBURGH	4.00	4.00	5.00
RHODE ISLAND	PROVIDENCE*	1.00	1.00	1.00
TOTAL		64.00	62.00	68.00

NOTE*: Branch Office
NOTE 1: 2 Regional Staff Positions in Philadelphia

STATES OF REG II	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ALABAMA	BIRMINGHAM	4.00	4.00	4.00
FLORIDA		9.00	8.00	10.00
	MIAMI	6.00	5.00	7.00
	CLEARWATER*	1.00	1.00	1.00
	ORLANDO*	1.00	1.00	1.00
	TALLAHASSE*	1.00	1.00	1.00
GEORGIA		10.00	9.00	10.00
	ATLANTA/2	8.00	7.00	8.00
	SAVANNAH	2.00	2.00	2.00
MARYLAND		5.00	4.00	5.00
	BALTIMORE	4.00	3.00	4.00
	GAITHERSBURG*	1.00	1.00	1.00
MISSISSIPPI	JACKSON	2.00	2.00	2.00
NORTH CAROLINA	GREENSBORO	8.00	8.00	8.00
PUERTO RICO	SAN JUAN	2.00	3.00	2.00
SOUTH CAROLINA		4.00	3.00	4.00
	CHARLESTON*	1.00	0.00	1.00
	COLUMBIA	3.00	3.00	3.00
TENNESSEE		5.00	5.00	6.00
	KNOXVILLE*	1.00	1.00	1.00
	MEMPHIS*	1.00	1.00	1.00
	NASHVILLE	3.00	3.00	4.00
VIRGINIA	RICHMOND	5.00	5.00	5.00
TOTAL		54.00	51.00	56.00

NOTE*: Branch Office
NOTE 2: 3 Regional Staff Positions in Atlanta

STATES OF REG III	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ILLINOIS		13.00	13.00	14.00
	CHICAGO	11.00	11.00	12.00
	ROCKFORD*	1.00	1.00	1.00
	WHEATON*	1.00	1.00	1.00
INDIANA	CARMEL	7.00	7.00	7.00
KENTUCKY	LOUISVILLE	3.00	3.00	3.00
MICHIGAN		12.00	11.00	12.00
	DETROIT	10.00	9.00	10.00
	GRAND RAPIDS*	2.00	2.00	2.00
MINNESOTA	MINNEAPOLIS	5.00	5.00	6.00
OHIO		17.00	15.00	18.00
	CINCINNATI/3	10.00	8.00	11.00
	CLEVELAND	7.00	7.00	7.00
WEST VIRGINIA	CHARLESTON	4.00	4.00	4.00
WISCONSIN	MILWAUKEE	6.00	5.00	6.00
Total		67.00	63.00	70.00

NOTE*: Branch Office
NOTE 3: 3 Regional Staff Positions in Cincinnati

STATES OF REG IV	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ARKANSAS	LITTLE ROCK	4.00	4.00	4.00
COLORADO	DENVER	3.00	3.00	4.00
IOWA	DES MOINES	3.00	2.00	3.00
KANSAS		4.00	4.00	4.00
	KANSAS CITY	3.00	3.00	3.00
	WICHITA*	1.00	1.00	1.00
LOUISIANA	NEW ORLEANS	4.00	4.00	4.00
MISSOURI	ST. LOUIS/4	8.00	9.00	8.00
NEBRASKA	OMAHA	2.00	2.00	2.00
OKLAHOMA		2.00	2.00	3.00
	OKLAHOMA CITY	1.00	1.00	2.00
	TULSA*	1.00	1.00	1.00
TEXAS		15.00	14.00	16.00
	DALLAS	7.00	6.00	8.00
	ALBUQUERQUE, NM*	1.00	1.00	1.00
	AUSTIN*	1.00	1.00	1.00
	HOUSTON	6.00	6.00	6.00
TOTAL		45.00	44.00	48.00

NOTE*: Branch Office
NOTE 4: 4 Regional Staff Positions in St. Louis

STATES OF REG V	DISTRICT OFFICE	FY 93 STAFF GOAL	FY 93 CURRENT STAFF	FY 94 STAFF GOAL
ALASKA	ANCHORAGE	2.00	2.00	2.00
ARIZONA	PHOENIX	4.00	4.00	4.00
CALIFORNIA		38.00	39.00	39.00
	LOS ANGELES	11.00	12.00	12.00
	NEWPORT BEACH*	5.00	5.00	4.00
	SAN DIEGO	6.00	6.00	5.00
	SAN FRANCISCO/5	15.00	15.00	16.00
	SANTA CLARA*	1.00	1.00	2.00
HAWAII	HONOLULU	2.00	2.00	2.00
NEVADA	RENO	2.00	2.00	2.00
OREGON		5.00	5.00	6.00
	PORTLAND	4.00	4.00	5.00
	BOISE, ID*	1.00	1.00	1.00
UTAH	SALT LAKE CITY	3.00	3.00	3.00
WASHINGTON		6.00	4.00	7.00
	SEATTLE	5.00	3.00	6.00
	TRI CITIES*	1.00	1.00	1.00
TOTAL		62.00	61.00	65.00

NOTE*: Branch Office
NOTE 5: 4 Regional Staff Positions in San Francisco

Attachment B

I. ~~CURRENT~~ AD ORDERS IN EFFECT
II. CVD ORDERS IN EFFECT
III. AD ADMINISTRATIVE REVIEWS COMPLETED FY92
IV. CVD ADMINISTRATIVE REVIEWS COMPLETED FY92

I. ANTIDUMPING DUTY ORDERS/01 FEB 1993:

NO.	DATE	PRODUCT	NATION
1.	11/13/83	Barbed Wire	Argentina
2.	11/23/84	Carbon Steel Wire Rods	Argentina
3.	05/26/89	Rectangular Tubing	Argentina
4.	09/26/91	Silicon Metal	Argentina
5.	08/28/68	Titanium Sponge	Armenia
6.	07/14/87	Solid Urea	Armenia
7.	03/23/73	Canned Bartlett Pears	Australia
8.	02/17/78	Railway Track Maintenance Equipment	Austria
9.	08/28/68	Titanium Sponge	Azerbaijan
10.	07/14/87	Solid Urea	Azerbaijan
11.	03/20/92	Cotton Shop Towels	Bangladesh
12.	08/28/68	Titanium Sponge	Belarus
13.	07/14/87	Solid Urea	Belarus
14.	06/13/87	Sugar	Belgium
15.	08/20/87	Industrial Phosphoric Acid	Belgium
16.	01/12/87	Brass Sheet and Strip	Brazil
17.	12/17/86	Carbon Steel Butt-Weld Pipe Fittings	Brazil
18.	11/02/92	Circular Welded Non-Alloy Steel Pipe	Brazil
19.	05/09/86	Iron Construction Castings	Brazil
20.	07/10/90	Industrial Nitrocellulose	Brazil
21.	05/05/87	Frozen Concentrated Orange Juice	Brazil
22.	05/21/86	Carbon Steel Butt-Weld Pipe Fittings	Brazil
23.	07/31/91	Silicon Metal	Brazil
24.	01/12/87	Brass Sheet and Strip	Canada
25.	03/05/86	Iron Construction Castings	Canada
26.	01/07/88	Color Picture Tubes	Canada
27.	12/17/73	Elemental Sulphur	Canada
28.	03/18/87	Fresh Cut Flowers	Canada
29.	08/31/92	Pure and Alloy Magnesium	Canada
30.	06/16/86	Oil Country Tubular Goods	Canada
31.	09/07/77	Self-Propelled Bituminous Paving Machines	Canada
32.	02/27/74	Aluminum Racing Plates	Canada
33.	06/24/85	Red Raspberries	Canada
34.	09/15/89	New Steel Rail	Canada
35.	09/13/66	Steel Jacks	Canada

36.	04/09/80	Sugar and Syrup	Canada
37.	01/19/88	Muriate of Potash	Canada
38.	03/20/87	Standard Carnations	Chile
39.	03/18/87	Fresh Cut Flowers	Colombia
40.	05/04/63	Portland Cement	Dominican Republic
41.	03/18/87	Fresh Cut Flowers	Ecuador
42.	08/28/68	Titanium Sponge	Estonia
43.	07/14/87	Solid Urea	Estonia
44.	03/21/79	Viscose Rayon Staple Fiber	Finland
45.	01/07/81	Anhydrous Sodium Metasilicate	France
46.	05/15/89	Antifriction Bearings, Ball	France
47.	03/06/87	Brass Sheet and Strip	France
48.	05/15/89	Antifriction Bearings, Cylindrical Roller	France
49.	06/14/72	Large Power Transformers	France
50.	05/15/89	Antifriction Bearings, Spherical Plain	France
51.	04/09/82	Sorbitol	France
52.	06/13/79	Sugar	France
53.	08/10/83	Industrial Nitrocellulose	France
54.	08/28/68	Titanium Sponge	Georgia
55.	07/14/87	Solid Urea	Georgia
56.	12/22/77	Animal Glue and Inedible Gelatin	Germany
57.	05/15/89	Antifriction Bearings, Ball	Germany
58.	06/25/81	Barium Carbonate	Germany
59.	03/06/87	Brass Sheet and Strip	Germany
60.	09/23/87	Forged Steel Crankshafts	Germany
61.	05/15/89	Antifriction Bearings, Cylindrical Roller	Germany
62.	11/02/72	Drycleaning Machinery	Germany
63.	06/14/89	Industrial Belts except Synchronous & V-Belts	Germany
64.	07/10/90	Industrial Nitrocellulose	Germany
65.	06/30/92	High-Tenacity Rayon Filament Yarn	Germany
66.	02/19/91	Sodium Thiosulfate	Germany
67.	05/15/89	Antifriction Bearings, Spherical Plain	Germany
68.	06/13/79	Sugar	Germany
69.	07/14/87	Urea	Germany
70.	04/17/89	Electrolytic Manganese Dioxide	Greece
71.	12/16/85	Photo Albums	Hong Kong
72.	09/24/90	Man-made Fiber Sweaters	Hong Kong
73.	06/19/87	Tapered Roller Bearings	Hungary
74.	01/04/82	Trailer Axles	Hungary
75.	05/12/86	Carbon Steel Pipes and Tubes	India
76.	07/17/86	In-Shell Pistachio Nuts	Iran
77.	03/06/87	Oil Country Tubular Goods	Israel
78.	08/19/87	Industrial Phosphoric Acid	Israel

79.	05/15/89	Antifriction Bearings, Ball	Italy
80.	03/01/85	Brass Fire Protection Equipment	Italy
81.	03/06/87	Brass Sheet and Strip	Italy
82.	05/15/89	Antifriction Bearings, Cylindrical Roller	Italy
83.	06/14/72	Large Power Transformers	Italy
84.	10/21/77	Pressure Sensitive Plastic Tape	Italy
85.	08/30/88	Polytetrafluroethylene Resin	Italy
86.	04/08/80	Spun Acrylic Yarn	Italy
87.	06/14/89	Industrial Belts, Synchronous and V	Italy
88.	08/14/87	Tapered Roller Bearings	Italy
89.	09/21/84	Woodwind Instrument Key Pads	Italy
90.	08/30/76	Acrylic Sheet	Japan
91.	09/04/91	Active Matrix Liquid Crystal Flat Display Panels	Japan
92.	05/15/89	Antifriction Bearings, Ball	Japan
93.	02/13/91	Benzyl Paraben	Japan
94.	11/22/72	Bicycle Speedometers	Japan
95.	08/12/88	Brass Sheet and Strip	Japan
96.	12/11/89	Business Telephone Systems	Japan
97.	02/10/87	Carbon Steel Butt-Weld Pipe Fittings	Japan
98.	08/04/72	Cadmium	Japan
99.	04/18/85	Calcium Hypochlorite	Japan
100.	07/06/87	Cast Iron Pipe Fittings	Japan
101	12/19/85	Cellular Mobile Telephones	Japan
102.	05/10/91	Portland Cement	Japan
103.	01/07/88	Color Picture Tubes	Japan
104.	04/27/84	Cyanuric Acid	Japan
105.	05/15/89	Antifriction Bearings, Cylindrical Roller	Japan
106.	12/29/89	Drafting Machines	Japan
107.	09/04/91	Electroluminescent Flat Panel Displays	Japan
108.	04/17/89	Electrolytic Manganese Dioxide	Japan
109.	03/13/71	Ferrite Cores	Japan
110.	09/23/87	Polyester Filament Fabric	Japan
111.	06/09/72	Fish Netting	Japan
112.	06/07/88	Industrial Forklift Trucks	Japan
113.	07/20/82	High-Power Microwave Amplifiers	Japan
114.	05/25/78	Nylon Impression Fabric	Japan
115.	06/14/89	Industrial Belts	Japan
116.	12/24/80	Large Electric Motors	Japan
117.	06/14/72	Large Power Transformers	Japan
118.	04/15/92	Eyeglass Lenses	Japan
119.	11/19/90	Multi-Angle Laser Light	Japan

		Scattering Instruments	
120.	02/16/90	Mechanical Transfer Presses	Japan
121.	02/02/77	Melamine	Japan
122.	04/03/89	3.5" Microdisks	Japan
123.	07/19/85	Fabric Expanded Neoprene Laminate	Japan
124.	06/16/88	Nitrile Rubber	Japan
125.	07/10/90	Industrial Nitrocellulose	Japan
126.	08/16/83	High Capacity Pagers	Japan
127.	08/28/91	Personal Word Processors	Japan
128.	06/05/91	Polyethylene Terphthalate Film	Japan
129.	05/09/80	Portable Electric Typewriters	Japan
130.	12/09/71	Polyrubber	Japan
131.	08/24/88	Polytetrafluoroethylene Resin	Japan
132.	04/12/73	Roller Chain	Japan
133.	06/16/86	64K Dynamic Random Access Memory Components	Japan
134.	05/15/89	Antifriction Bearings, Spherical Plain	Japan
135.	04/08/80	Spun Acrylic Yarn	Japan
136.	03/25/88	Stainless-Steel Pipe Fittings	Japan
137.	10/15/73	Steel Wire Rope	Japan
138.	12/08/78	Steel Wire Strand	Japan
139.	07/10/73	Synthetic Methionine	Japan
140.	11/30/84	Titanium Sponge	Japan
141.	08/17/76	Tapered Roller Bearings, Four Inches and Under	Japan
142.	10/06/87	Tapered Roller Bearings, Over Four Inches	Japan
143.	12/12/70	Electronic Tuners	Japan
144.	03/10/71	Television Sets	Japan
145.	09/01/86	Erasable Programmable Read Only Memories	Japan
146.	11/06/80	Small Electric Motors	Japan
147.	08/28/68	Titanium Sponge	Kazakhstan
148.	07/14/87	Solid Urea	Kazakhstan
149.	10/16/92	Uranium	Kazakhstan
150.	04/23/87	Standard Carnations	Kenya
151.	08/28/68	Titanium Sponge	Kyrgyzstan
152.	07/14/87	Solid Urea	Kyrgyzstan
153.	10/16/92	Uranium	Kyrgyzstan
154.	08/28/68	Titanium Sponge	Latvia
155.	07/14/87	Solid Urea	Latvia
156.	08/28/68	Titanium Sponge	Lithuania
157.	07/14/87	Solid Urea	Lithuania
158.	10/07/92	Extruded Rubber Thread	Malaysia
159.	08/30/90	Portland Cement	Mexico
160.	11/02/92	Circular Welded Non-Alloy Steel Pipe	Mexico
161.	12/02/86	Porcelain-on-Steel Cookware	Mexico

162.	04/23/87	Fresh Cut Flowers	Mexico
163.	08/28/68	Titanium Sponge	Moldova
164.	07/14/87	Solid Urea	Moldova
165.	08/12/88	Brass Sheet and Strip	Netherlands
166.	12/04/85	Brazing Copper Wire and Rod	New Zealand
167.	06/02/92	Fresh Kiwi Fruit	New Zealand
168.	04/12/91	Fresh and Chilled Atlantic Salmon	Norway
169.	02/19/91	Heavy Forged Hand Tools, Axes and Adzes	People's Republic of China
170.	10/17/84	Barium Chloride	People's Republic of China
171.	02/19/91	Heavy Forged Hand Tools, Bars and wedges	People's Republic of China
172.	07/06/92	Carbon Steel Butt-Weld Pipe Fittings	People's Republic of China
173.	08/28/86	Petroleum Wax Candles	People's Republic of China
174.	12/09/91	Ceiling Fans	People's Republic of China
175.	03/22/84	Chloropicrin	People's Republic of China
176.	05/09/86	Iron Construction Castings	People's Republic of China
177.	12/02/86	Porcelain-on-Steel Cookware	People's Republic of China
178.	02/19/91	Heavy Forged Hand Tools, Hammers and sledges	People's Republic of China
179.	09/20/91	Chrome Plated Lug Nuts and Wheel Locks	People's Republic of China
180.	07/10/90	Industrial Nitrocellulose	People's Republic of China
181.	02/14/86	Natural Bristle Paint and Brush Heads	People's Republic of China
182.	02/19/91	Heavy Forged Hand Tools, Picks and mattocks	People's Republic of China
183.	01/31/84	Potassium Permanganate	People's Republic of China
184.	09/16/83	Greig Polyester Printcloth	People's Republic of China
185.	10/04/83	Cotton Shop Towels	People's Republic of China
186.	06/10/91	Silicon Metal	People's Republic of China
187.	02/19/91	Sodium Thiosulfate	People's Republic of China
188.	06/18/91	Sparklers	People's Republic of China
189.	08/19/92	Sulfanilic Acid	People's Republic of China
190.	06/15/87	Tapered Roller Bearings	People's Republic of China
191.	11/21/91	Tungsten Ore Concentrates	People's Republic of China
192.	05/15/89	Antifriction Bearings, Ball	Romania
193.	06/19/87	Tapered Roller Bearings	Romania
194.	07/14/87	Urea	Romania
195.	08/28/68	Titanium Sponge	Russia
196.	07/14/87	Urea	Russia
197.	10/16/92	Uranium	Russia
198.	05/15/89	Antifriction Bearings, Ball	Singapore
199.	01/07/88	Color Picture Tubes	Singapore
200.	11/13/86	Rectangular Pipes and Tubes	Singapore
201.	06/14/89	Industrial V-Belts	Singapore
202.	01/17/84	Potassium Permanganate	Spain
203.	01/29/86	Brazing Copper Wire and Rod	South Africa
204.	01/12/87	Brass Sheet and Strip	South Korea
205.	02/07/90	Business Telephone Systems	South Korea

206.	11/02/92	Circular Welded Non-Alloy Steel Pipe	South Korea
207.	01/07/88	Color Picture Tubes	South Korea
208.	07/10/90	Industrial Nitrocellulose	South Korea
209.	06/05/91	Polyethylene Terephthalate Film	South Korea
210.	12/16/85	Photo Albums	South Korea
211.	05/23/86	Stainless Steel Butt-Weld Pipe Fittings	South Korea
212.	01/20/87	Stainless Steel Cookware	South Korea
213.	09/24/90	Man-made Fiber Sweaters	South Korea
214.	04/30/84	Color Television Sets	South Korea
215.	12/30/92	Welded Stainless Steel Pipe	South Korea
216.	05/15/89	Antifriction Bearings, Ball	Sweden
217.	03/06/87	Brass Sheet and Strip	Sweden
218.	05/15/89	Antifriction Bearings, Cylindrical Roller	Sweden
219.	12/03/87	Stainless Steel Hollow Products	Sweden
220.	06/08/73	Stainless Steel Plate	Sweden
221.	12/20/83	Carton Closing Stapling Machines	Sweden
222.	12/20/83	Carton Closing Staples	Sweden
223.	12/11/89	Business Telephone Systems	Taiwan
224.	12/17/86	Steel Butt-Weld Pipe Fittings	Taiwan
225.	06/13/79	Carbon Steel Plate	Taiwan
226.	05/07/84	Circular Pipes and Tubes	Taiwan
227.	11/02/92	Circular Welded Non-Alloy Steel Pipe	Taiwan
228.	08/21/71	Clear Sheet Glass	Taiwan
229.	12/02/86	Porcelain-on-Steel Cookware	Taiwan
230.	06/07/82	Fireplace Mesh Panels	Taiwan
231.	09/20/91	Chrome-Plated Lug Nuts	Taiwan
232.	06/18/86	Oil Country Tubular Goods	Taiwan
233.	05/23/86	Pipe Fittings	Taiwan
234.	03/27/89	Rectangular Tubing	Taiwan
235.	01/20/87	Stainless Steel Cookware	Taiwan
236.	09/24/90	Man-made Fiber Sweaters	Taiwan
237.	04/30/84	Color Television Sets	Taiwan
238.	12/30/92	Welded Stainless Steel Pipe	Taiwan
239.	08/28/68	Titanium Sponge	Tajikistan
240.	07/14/87	Solid Urea	Tajikistan
241.	10/16/92	Uranium	Tajikistan
242.	05/15/89	Antifriction Bearings, Ball	Thailand
243.	07/06/92	Carbon Steel Butt-Weld Pipe Fittings	Thailand
244.	03/11/86	Welded Carbon Steel Pipes and Tubes	Thailand
245.	08/20/87	Iron Pipe Fittings	Thailand
246.	08/25/87	Acetylsalicylic Acid (Aspirin)	Turkey

247.	05/15/86	Welded Carbon Steel Pipes and Tubes	Turkey
248.	08/28/68	Titanium Sponge	Turkmenistan
249.	07/14/87	Solid Urea	Turkmenistan
250.	08/28/68	Titanium Sponge	Ukraine
251.	07/14/87	Solid Urea	Ukraine
252.	10/16/92	Uranium	Ukraine
253.	05/15/89	Antifriction Bearings, Ball	United Kingdom
254.	09/21/87	Forged Steel Crankshafts	United Kingdom
255.	05/15/89	Antifriction Bearings, Cylindrical Roller	United Kingdom
256.	07/10/90	Industrial Nitrocellulose	United Kingdom
257.	02/19/91	Sodium Thiosulfate	United Kingdom
258.	08/28/68	Titanium Sponge	Uzbekistan
259.	07/14/87	Solid Urea	Uzbekistan
260.	10/16/92	Uranium	Uzbekistan
261.	08/22/88	Aluminum Redraw Rod	Venezuela
262.	12/15/89	Aluminum Sulfate	Venezuela
263.	11/02/92	Circular Welded Non-Alloy Steel Pipe	Venezuela
264.	02/27/92	Gray Portland Cement	Venezuela
265.	10/16/90	Industrial Nitrocellulose	Yugoslavia
266.	08/14/87	Tapered Roller Bearings	Yugoslavia

TOTAL CURRENT ANTIDUMPING DUTY ORDERS (02/01/93): 266

II. COUNTERVAILING DUTY ORDERS/01 JAN 1993:

NO.	DATE	PRODUCT	NATION
1.	03/12/85	Certain Apparel	Argentina
2.	03/12/85	Certain Textile Mill Products	Argentina
3.	04/26/84	Cold-Rolled Flat Carbon Steel Products	Argentina
4.	10/02/90	Leather	Argentina
5.	03/18/83	Leather Wearing Apparel	Argentina
6.	01/17/79	Non-Rubber Footwear	Argentina
7.	11/22/84	Oil Country Tubular Goods	Argentina
8.	09/27/88	Certain Welded Carbon Steel Pipe and Tube Products	Argentina
9.	04/04/83	Wool	Argentina
10.	11/16/78	Woolen Garments	Argentina
11.	01/08/87	Brass Sheet and Strip	Brazil
12.	03/16/76	Certain Castor Oil Products	Brazil
13.	05/15/86	Iron Construction Castings	Brazil
14.	03/15/77	Cotton Yarn	Brazil
15.	04/04/80	Pig Iron	Brazil
16.	10/22/85	Agricultural Tillage Tools	Brazil
17.	08/31/92	Pure and Alloy Magnesium	Canada
18.	08/15/85	Live Swine and Pork Products	Canada
19.	07/13/92	Certain Softwood Lumber Products	Canada

20.	08/31/92	Pure and Alloy Magnesium	Canada
21.	03/12/87	Standard Carnations	Canada
22.	09/22/89	New Steel Rails	Canada
23.	03/19/87	Standard Carnations	Chile
24.	07/31/78	Sugar	European Community
25.	01/13/87	Certain Fresh Cut Flowers	Ecuador
26.	03/06/87	Brass Sheet and Strip	France
27.	10/16/80	Iron Metal Castings	India
28.	03/11/86	Raw In-Shell Pistachios	Iran
29.	10/07/86	Roasted In-Shell Pistachios	Iran
30.	08/19/87	Industrial Phosphoric Acid	Israel
31.	03/06/87	Oil Country Tubular Goods	Israel
32.	09/04/80	Roses	Israel
33.	01/20/87	Stainless Steel Cookware	South Korea
34.	04/22/88	Carbon Steel Wire Rod	Malaysia
35.	08/25/92	Extruded Rubber Thread	Malaysia
36.	05/10/82	Ceramic Tile	Mexico
37.	04/10/81	Leather Wearing Apparel	Mexico
38.	12/12/86	Porcelain-on-Steel Cookware	Mexico
39.	03/18/85	Certain Textiles and Textile Products	Mexico
40.	03/12/87	Standard Chrysanthemums	Netherlands
41.	08/05/85	Brazing Copper Rod and Wire	New Zealand
42.	03/07/86	Carbon Steel Wire Rod	New Zealand
43.	09/17/85	Lamb Meat	New Zealand
44.	09/02/86	Steel Wire	New Zealand
45.	10/05/87	Certain Steel Wire Nails	New Zealand
46.	04/12/91	Fresh and Chilled Atlantic Salmon	Norway
47.	03/09/84	Cotton Shop Towels	Pakistan
48.	02/01/83	Cotton Sheeting and Sateen	Peru
49.	02/01/83	Cotton Yarn	Peru
50.	04/23/87	Pompon Chrysanthemums	Peru
51.	11/27/85	Steel Concrete Reinforcing Bar (Rebar)	Peru
52.	02/03/86	Carbon Steel Wire Rod	Saudi Arabia
53.	05/03/89	Antifriction Bearings	Singapore
54.	03/11/81	Ferrochrome	South Africa
55.	01/03/83	Stainless Steel Wire Rod	Spain
56.	10/11/85	Certain Carbon Steel Products	Sweden
57.	05/15/79	Rayon Staple Fiber	Sweden
58.	01/20/87	Stainless Steel Cookware	Taiwan
59.	05/03/89	Antifriction Bearings, Ball	Thailand
60.	01/18/90	Carbon Steel Butt-Weld Pipe Fittings	Thailand
61.	03/12/85	Certain Textiles and Textile Products	Thailand
62.	02/10/89	Malleable Iron Pipe Fittings	Thailand
63.	08/14/85	Welded Carbon Steel Pipes and Tubes	Thailand
64.	04/10/86	Rice	Thailand
65.	10/02/87	Certain Steel Wire Nails	Thailand

66.	09/11/91	Steel Wire Rope	Thailand
67.	08/26/87	Acetylsalicylic Acid (Aspirin)	Turkey
68.	03/07/86	Welded Carbon Steel Pipes and Tubes	Turkey
69.	07/17/82	Leather Wearing Apparel	Uruguay
70.	12/19/89	Aluminum Sulfate	Venezuela
71.	09/17/92	Circular Welded Nonalloy Steel Pipe	Venezuela
72.	08/22/88	Aluminum Redraw Rod	Venezuela
73.	08/15/86	Carbon Steel Wire Rod	Zimbabwe

TOTAL CURRENT COUNTERVAILING DUTY ORDERS (02/01/93): 73

III. ANTIDUMPING REVIEWS COMPLETED FY92:

NO.	FINAL	PRODUCT	NATION	POR
1.	04/13/92	Roller Chain	Japan	04/01/86-03/31/87
	COMPANY		AD DUTY MARGIN	
	Hitachi Metals Techno.		3.42%	
	Izumi Chain Co.		3.50%	
	Pulton Chain Co.		3.50%	
	Takasago (RK Excel Co.)		3.50%	
	Toyota Motor Co.		3.50%	
2.	10/03/91	Oil Country Tubular Goods	Canada	06/01/90-05/31/91
	Review terminated.			
3.	11/01/91	Television Sets	Japan	03/01/88-02/28/89
	Mitsubishi Electric Corp.		2.89%	
4.	10/21/91	Orange Juice	Brazil	05/01/89-04/30/90
	Citrosuco Paulista S. A.		0.03%(Revoked)	
	Cargill Citrus Ltda.		0.00%(Revoked)	
	Coopercitrus Industrial Frutesp S. A.		0.04%(Revoked)	
	Montecitrus Trading S. A.		0.00%(Revoked)	
	Frutropic S. A.		0.06%	
5.	11/08/91	Brass Sheet & Strip	Canada	01/01/89-12/31/89
	Ratcliffs		0.46%(Revoked)	
	All Others		0.00%	
6.	11/04/91	Portable Elec. Typewriters	Japan	05/01/88-04/30/89
	Brother		62.79%	
	Nakajima		0.90%	
	Matsushita		4.92%	
	Silver Seiko		88.85%	
	Sharp		0.90%	
	Canon		88.85%	

7.	11/04/91	Portable Elec. Typewriters	Japan	05/01/89-04/30/90
		Brother	62.79%	
		Nakajima	3.87%	
		Matsushita	0.32%	
		Silver Seiko	88.85%	
		Sharp	3.87%	
		Canon	88.85%	
		Fujitsu American, Inc.	5.20%	
		Juki Corp./Juki Office Machine Corp.	2.40%	
		Tokyo Electric Co., Ltd.	4.92%	
8.	10/30/91	Porcelain-On-Steel Cookware	China	12/01/89-11/30/90
		Clover Enamelware Enterprise Ltd./Lucky Enamelware Factory Ltd. (Hong Kong)	66.65%	
9.	11/06/91	Pressure-Sensitive Plastic Tape	Italy	10/01/89-09/30/90
		NAR S.p.A.	1.24%	
10.	11/15/91	3.5" Microdisks	Japan	09/29/88-03/31/90
		Fuji	12.60%	
		Memorex	16.96%	
		TDK	10.04%	
		TMC	5.82%	
10.	12/23/91	3.5" Microdisks	Japan	09/29/88-03/31/90
		Sony	5.86%	
11.	11/15/91	Granular Polyfluroethylene Resin	Italy	08/01/89-07/31/90
		Montefluos, S.p.A.	23.57%	
12.	11/19/91	Certain Circular Welded Carbon Steel Pipes & Tubes	Thailand	03/01/87-02/29/88
		Saha Thai	0.49% (excluded)	
		Siam Steel	38.51%	
		Thai Hong	38.51%	
		Thai Steel	15.80%	
		Thai Union	38.51%	
		All Other Manufacturers/Producers/ Exporters	38.51%	
13.	01/07/92	Titanium Sponges	Japan	11/01/88-10/31/89
		Osaka Titanium Co., Ltd.	0.00% (excluded)	
		Showa Denko K.K.	13.16%	
		Toho Titanium Co., Ltd.	0.00% (excluded)	

	Nippon Soda Co., Ltd.		56.27%	
	All Others		13.16%	
14.	12/16/91	Color Television Sets	Taiwan	04/01/87-03/31/88
	Action Electronics Co., Ltd.		0.00% (excluded)	
	AOC International, Inc.		7.43%	
	Funai Electronic Co., Ltd.		23.89%	
	Fulet Electronic Industrial Co., Ltd.		0.52%	
	Hitachi Television (Taiwan), Ltd.		23.89%	
	Kuang Yuan Co., Ltd.		0.00% (excluded)	
	Netteck Corp., Ltd.		23.89%	
	Paramount Electronics		23.89%	
	Philips Electronic Industries (Taiwan), Ltd.		6.65%	
	RCA Taiwan, Ltd.		6.46%	
	Sampo Corp.		0.78%	
	Sanyo Electric (Taiwan) Co., Ltd.		4.66%	
	Shin-Shirasuna Electric Corp.		2.30%	
	Tatung Co.		0.68%	
	All Others		2.57%	
15.	12/16/91	Color Television Sets	Taiwan	04/01/89-03/31/90
	Action Electronics Co. Ltd.		2.57%	
	AOC International, Inc.		0.12% (excluded)	
	Funai Electronic Co., Ltd.		23.89%	
	Hitachi Television (Taiwan), Ltd.		10.82%	
	Kuang Yuan Co., Ltd.		0.00% (excluded)	
	Netteck Corp., Ltd.		10.82%	
	Paramount Electronics		10.82%	
	Philips Electronic Industries (Taiwan), Ltd.		10.82%	
	RCA Taiwan, Ltd.		1.94%	
	Sampo Corp.		0.78%	
	Sanyo Electric (Taiwan) Co., Ltd.		4.66%	
	Shinlee Corp.		10.14%	
	Shin-Shirasuna Electric Corp.		10.82%	
	Tatung Co.		1.31%	
	Taco Electric and Machinery Co., Ltd.		5.46%	
15.	01/31/92	Color Television Sets	Taiwan	04/01/89-03/31/90
	Proton Electronic Industrial Co., Ltd.		1.32%	
	All Others		2.57%	
16.	12/09/91 Review terminated.	Bicycle Speedometers	Japan	11/01/89-10/31/90
17.	12/26/91	Steel Strand	Japan	12/01/85-11/30/86
	Mitsui & Co., Ltd.		15.80%	
	All Others		0.00%	

18.	12/26/91	Steel Strand	Japan	12/01/86-11/30/87
	Mitsui & Co., Ltd.		15.80%	
	All Others		0.00%	
19.	12/26/91	Steel Strand	Japan	12/01/87-11/30/88
	Mitsui & Co., Ltd.		15.80%	
	All Others		0.00%	
20.	12/26/91	Dry Cleaning Machinery	Germany	11/10/89-10/31/90
	Boewe		0.64%	
	Seco		4.44%	
	All Others		0.64%	
21.	12/12/91	Pipes & Tubes	India	05/01/87-4/30/88
	Tata Iron & Steel Co., Ltd.("TISCO")		77.32%	
	Jindal Pipes, Ltd.		77.32%	
22.	12/12/91	Pipes & Tubes	India	05/01/88-4/30/89
	Tata Iron & Steel Co., Ltd.("TISCO")		87.39%	
	All Others		87.39%	
23.	12/16/91	Tapered Roller Bearings Under Four Inches	Japan	08/01/88-07/31/89
	Koyo Seiko Co., Ltd.		15.89%	
	NSK, Ltd.		6.15%	
	Isuzu Motors, Ltd.		15.89%	
	Toyota Motors Corp.		15.89%	
	Nachi-Fujikoshi Corp.		18.07%	
	All Others		16.20%	
24.	01/03/92	Brass Sheet & Strip	Germany	08/22/86-02/29/88
	William Prym		23.49%	
	Schermetall Halbzeugwerke		23.49%	
	Wieland Group Wieland-Werke AG Langenberg Kupfer-und Messingwerke GmbH		23.49%	
	All Others		23.49%	
25.	12/31/91	Tapered Roller Bearings	China	05/12/89-05/31/90
	CMEC		0.00%(excluded)	
	Guizhou		0.00%(excluded)	
	Henan		0.00%(excluded)	
	Jilin		8.83%	
	Liaoning		0.00%(excluded)	
				06/01/89-05/31/90

	Premier		0.60%	
	Shanghai General		0.00%(excluded)	
26.	01/14/92	Elemental Sulphur	Canada	12/01/89-11/30/90
	Sulco		0.00%(excluded)	
	All Others		0.00%	
27.	01/13/92	Greige Polyester/Cotton Printcloth	China	09/01/87-08/31/88
	Chinatex		22.40%	
	All Others		22.40%	
28.	01/23/92	Brass Sheet & Strip	Sweden	03/01/88-02/28/89
	Outokumpu Copper Rolled Products AB		4.62%	
29.	01/23/92	Brass Sheet & Strip	Sweden	03/01/89-02/28/90
	Outokumpu Copper Rolled Products AB		6.69%	
	All Others		6.69%	
30.	01/03/92	Titanium Sponges	USSR	08/01/90-07/31/91
	Review terminated.			
31.	01/28/92	Forklift Trucks	Japan	11/24/87-05/31/89
	Toyota Motor Corp.		12.22%	
	Nissan Motor Co., Ltd.		7.36%	
	Toyo Umpanki Co., Ltd.		7.71%	
	Mitsubishi Heavy Industries, Ltd.		39.15%	
	All Others		12.22%	
32.	02/11/92	Telephone Systems & Subassemblies	Japan	08/03/89-11/30/90
	Iwatsu Electric Co., Ltd.		37.38%	
33.	02/11/92	Tapered Roller Bearings, Under Four Inches	Japan	08/01/89-07/31/90
	Koyo Seiko Co., Ltd.		16.35%	
	Nachi-Fujikoshi Corp.		18.07%	
	NSK, Ltd.		2.72%(amended 03/16/92)	
	All Others		16.35%	
34.	02/11/92	Tapered Roller Bearings, Over Four Inches	Japan	10/01/88-09/30/89
	NTN/Caterpillar		38.39%	
	Koyo Seiko Co., Ltd.		24.88%	
	NSK, Ltd.		40.37%	

	Nachi-Fujikoshi Corp.		40.37%	
	All Others		40.37%	
35.	02/11/92	Tapered Roller Bearings, Over Four Inches	Japan	10/01/89-09/30/90
	NTN/Caterpillar		21.49%(amended 03/16/92)	
	Koyo Seiko Co., Ltd.		24.88%	
	NSK, Ltd.		40.37%	
	Nachi-Fujikoshi Corp.		40.37%	
	All Others		40.37%	
36.	02/28/92	Roller Chain	Japan	04/01/89-03/31/90
	Hitachi Metals Techno, Ltd.		3.50%	
	Izumi Chain Co., Ltd.		17.57%	
	Kaga Industries Co., Ltd.		0.00%	
	Pulton Chain Co., Inc.		15.92%	
	RK Excel Co., Ltd.		0.34%	
	All Others		3.50%	
37.	03/18/92	Dry Cleaning Machinery	Germany	11/01/90-10/31/91
	Terminated 03/18/92.			
38.	07/01/92	Telephone Systems & Subassemblies	Taiwan	08/03/89-11/30/90
	Sinoca		0.15%	
	Bitronic		6.97%	
	Auto Telecom		129.73%	
	Tecom		18.10%	
	TAISEL		129.73%	
	Taiwan Telecom		0.00%	
	Magtron		0.00%	
	All Others		18.10%	
39.	04/29/92	Golf Cars	Poland	07/01/76-06/10/80
	Pezetel Ltd.		2.91%(amended 04/29/92)	
40.	03/04/92	Cellular Mobile Telephones	Japan	12/01/88-11/30/89
	Mitsubishi Electric Corp. (MELCO)		0.44%	
41.	03/04/92	Cellular Mobile Telephones	Japan	12/01/89-11/30/90
	Murata Manufacturing Co., Ltd. (MMC)		5.30%	
	All Others		5.30%	
42.	03/17/92	Brass Sheet & Strip	Italy	08/22/86-02/29/88
	Europa Metalli-LMI		9.49%	
43.	03/17/92	Brass Sheet & Strip	Italy	03/01/89-02/28/90

	Europa Metalli-LMI		4.70%	
	All Others		4.70%	
44.	03/09/92	Industrial Belts	Italy	02/01/89-05/31/90
	Pirelli Transmission Ind., S.p.A.		74.90%	
	All Others		74.90%	
45.	03/09/92	Telephone Systems & Subassemblies	S. Korea	08/03/89-01/31/90
	Samsung Electronics Co., Ltd.		0.02%(excluded)	
46.	03/24/92	Telephone Systems & Subassemblies	Japan	12/01/90-11/30/91
	Terminated 03/24/92.			
47.	03/19/92	Brass Sheet & Strip	Netherlands	02/08/88-07/31/89
	Outokumpu Copper Products B.V. (OBV)		9.25%	
48.	03/19/92	Brass Sheet & Strip	Netherlands	08/01/89-07/31/90
	Outokumpu Copper Products B.V. (OBV)		10.54%	
	All Others		10.54%	
49.	03/23/92	Industrial Phosphoric Acid	Israel	08/01/89-07/31/90
	Negev Phosphates		0.00%(AD Order revoked)	
	Haifa Chemicals		6.82%	
50.	03/20/92	Titanium Sponges	Japan	11/01/89-10/31/90
	Showa Denko K.K.		0.00%(excluded)	
	Toho Titanium Co., Ltd.		0.00%(excluded)	
51.	11/12/91 (prelim.)	Industrial Belts	Japan	02/01/89-05/31/90
	Bando Chemical Industries, Ltd.		93.16%	
	Mitsubishi Belting, Ltd.		56.27%	
	Nitta Industries		93.16%	
	All Others		56.27%	
52.	03/27/92	Iron Construction Castings	China	05/01/89-04/30/90
	Guangdong Metal and Minerals Import & Export Corp.		92.74%	
	All Others		92.74%	
53.	04/03/92	Oil Country Tubular Goods	Israel	03/01/89-02/28/90
	Middle East Tube Co. (METCO)		11.96%	
	All Others		11.96%	

54.	05/22/92	Oil Country Tubular Goods	Israel	03/01/90-02/28/91
	Middle East Tube Co. (METCO)		15.50%(amended 05/22/92)	
	All Others		15.50%(amended 05/22/92)	
55.	03/31/92	Racing Plates (Aluminum Horseshoes)	Canada	02/01/90-01/31/91
	Equine Forgings, Ltd.		7.25%	
	All Others		7.25%	
56.	04/14/92	Frozen Orange Juice	Brazil	05/01/90-04/30/91
	Branco Peres Citrus, S.A.		0.00%(excluded)	
	Frutropic, S.A.		0.00%(excluded)	
57.	04/13/92	Mechanical Transfer Presses	Japan	08/18/89-01/31/91
	Ishikawajima-Harima Heavy Ind. Co.		0.00%(excluded)	
58.	05/12/92	Color Television Sets	Taiwan	04/01/90-03/31/91
	Action Electronics Co., Ltd.		1.64%	
	AOC International, Inc.		23.89%	
	Funai Electric Co., Ltd.		23.89%	
	Hitachi Television (Taiwan), Ltd.		23.89%	
	Kuang Yuan Co., Ltd.		0.00%(excluded)	
	Netteck Corp., Ltd.		23.89%	
	Paramount Electronics		23.89%	
	Proton Electronic Ind. Co., Ltd.		4.13%	
	RCA Taiwan, Ltd.		0.41%(excluded)	
	Sampo Corp.		0.78%	
	Sanyo Electric (Taiwan) Co., Ltd.		4.66%	
	Shinlee Corp.		23.89%	
	Tatung Co.		0.23%(excluded)	
	Teco Electric & Machinery Co., Ltd.		23.89%	
	All Others		4.13%	
59.	05/07/92	Fresh Cut Flowers	Mexico	04/01/90-03/31/91
	Rancho Daisy		0.00%(excluded)	
	Rancho del Pacifico		0.00%(excluded)	
	Rancho Mision el Descanso		0.82%	
	Rancho Guacatay		0.00%(excluded)	
	Visaflor		0.00%(excluded)	
60.	05/20/92	Stainless-Steel Pipes & Tubes	Sweden	12/01/89-11/30/90
	Sandvik, AB		2.21%	
	All Others		2.21%	
61.	06/05/92	Color & Monochrome TV's	Japan	03/01/91-02/29/92
	Terminated 06/05/92.			

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

Asahi Seiko Co., Ltd.	BB- 0.01%(excluded)		
FiatAvio, S.p.A.	BB- 2.33	CRB-5.02%	
Fujino Iron Works Co., Ltd.	BB- 1.80%		
Honda Motor Co., Ltd.	BB- 0.04%(excluded)		
Inoue Jikuuke Kogyo Co., Ltd. (IJK)	BB- 1.43%[2]		
Izumoto Seiko Co., Ltd.	BB-12.18%		
Koyo Seiko Co., Ltd.	BB- 6.85%[2]	CRB-1.40%	
Maehara Iron Works Co., Ltd.			SPB-0.57%
Messershmitt-Boelkow-Blohm, GmbH (MBB)	-		
Minebea Co., Ltd.	BB-106.61%	CRB-51.82%	SPB-92.00%
Nachi-Fujikoshi Corp.	BB- 7.86%[2]	CRB-22.73%	
Nakai Bearing Co., Ltd.	BB- 6.36%		
Nankai Seiko Co., Ltd.	BB- 9.22%		
Nippon Pillow Block Sales Co. (NPBS)	BB-45.83%		
Nippon Seiko K.K. (NSK)	BB- 4.62%[2]	CRB-12.69%[2]	
NTN Corp.	BB- 2.26%[2]	CRB-2.63%	SPB-0.50%
Osaka Pump Co., Ltd.	BB- 0.89%		
Showa Pillow Block Manufacturing, Ltd.	BB- 7.31%		
Takeshita Seiko Co.	BB- 0.84%		
Tottori Yamakai Bearing Seisakusho	BB- 3.29%		
Uchiyama Manufacturing Corp.	BB-45.83%		
Wada Seiko Co., Ltd.	BB-16.71%		
Yamaha Motor Co.	BB-45.83%		
All Others	BB-16.71%	CRB-22.73%	SPB-0.57%

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings United Kingdom 05/01/90-04/30/91

Product Key: BB-ball bearing CRB-cylindrical roller bearing
SPB-spherical plain bearing

Barden Corp.	BB- 0.74%[2]	
Cooper Bearings, Ltd.	-	
FAG UK	BB-41.99[2]	
FiatAvio, S.p.A.		CRB- 6.68%
INA Bearing Co.	-	
Pratt & Whitney Canada, Inc.		CRB- 4.24%[1]
RHP Bearings, Inc.	BB-16.21%	CRB-48.29%
SKF (UK), Ltd.	BB- 8.41%[2]	
All Others	BB-41.99%[2]	CRB-48.29%

Amendments: [1](07/24/92) [2](12/14/92)

80. 06/08/92 Castings China 05/01/90-04/30/91

Guangdong Metal and Minerals Import & Export Corp.	92.74%
All Others	92.74%

62.-79. 06/24/92 Antifriction Bearings Germany 05/01/90-04/30/91

Product Key: BB-Ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

Aerospatial Div. Helicopteres (ADH)	BB-24.02%	CRB-4.57%	
FAG Kugelfischer George Schaefer	BB-17.24%[2]	CRB-7.04%[1]	SPB-1.10%[1]
FiatAvio, S.p.A.	BB- 4.14%	CRB-23.52%[1]	
Georg Meuller Nurnburg, AG (GMN)	BB- 0.29%(excluded)		
INA Walzlager Schaeffler KG	BB-12.11%	CRB-0.45%[1](excluded)	
Messerchmitt-Boelkow-Blohm, GmbH (MBB)	BB- 1.32%		SPB-0.63%
Neuweg Fertigung, GmbH (NWG)	BB- 6.69%		
NTN Kugellagerfabrik (Deutschland)			
Pratt & Whitney Canada, Inc.	BB-11.10%[2]	CRB-3.34%[1]	
SKF, GmbH (SKF)	BB-11.44%[2]	CRB-9.76%[1]	SPB-1.74%[1]
All Others	BB-24.02%	CRB-23.52%[2]	SPB-1.74%[1]

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings France 05/01/90-04/30/91

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

Aerospatiale Div. Helicopteres (ADH)	BB- 7.17%	CRB-3.05%	SPB- 5.06%
Dassault Industries	BB-11.42%	CRB-2.34%	SPB-2.33%
FiatAvio, S.p.A.	BB- 0.15%(excluded)		
INA Roulements, S.A. (INA)	BB-66.42%	CRB-18.37%	SPB-42.79%
Messerchmitt-Boelkow-Blohm, GmbH (MBB)	BB- 0.19%(excluded)		SPB-42.79%
Pratt & Whitney Canada, Inc.	BB- 9.37%[2]	CRB-4.88%[1]	
SKF France (SKF)	BB- 8.37%[2]		
SNFA	BB-66.42%	CRB-18.37%	
Societe Nouvelle de Roulements (SNR)	BB-15.96%[2]	CRB-18.37%	
Societe Nationale d'Etude et de Construction de Moteurs d'Aviation (SNECMA)	BB- 6.20%	CRB-1.89%	
Turbomeca	BB- 6.76%	CRB-6.52%	SPB-42.79%
All Others	BB-15.96%[2]	CRB-6.52%	SPB-42.79%

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings Italy 05/01/90-04/30/91

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

Aerospatiale Div. Helicopteres (ADH)	BB-0.24%(excluded)	CRB-7.74%
FAG Italy	BB-4.94%[2]	
FiatAvio, S.p.A.	BB-3.13%	CRB-13.26%[1]
Meter, S.p.A.	BB-8.32%	
Rolls Royce		

SKF-Industrie, S.p.A.	BB-9.31%[2]	
Societe Nationale d'Etude et de Construction de Moteurs d'Aviation (SNECMA)		CRB-3.53%
All Others	BB-10.00%	CRB-13.26%[2]

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings Romania 05/01/90-04/30/91

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

Tehnoimportexport (TIE)	-
All Others	-

62.-79. 06/24/92 Antifriction Bearings Singapore 05/01/90-04/30/91

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

NMB Singapore/Pelmec Ind.	BB-4.51%[1]
All Others	BB-4.51%[1]

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings Sweden 05/01/90-04/30/91

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

SKF Sverige (SKF)	BB-7.81%[2] CRB-5.21%[1]
All Others	BB-7.81%[2] CRB-5.21%[1]

Amendments: [1](07/24/92) [2](12/14/92)

062.- 06/24/92 Antifriction BearingsThailand
05/01/90-04/30/91
79.

Product Key: BB-ball bearings CRB-cylindrical roller bearings
SPB-spherical plain bearings

NMB Thai/Pelmec Thai, Ltd.	BB-0.57%[1]
All Others	BB-0.57%[1]

Amendments: [1](07/24/92) [2](12/14/92)

62.-79. 06/24/92 Antifriction Bearings Japan 05/01/90-04/30/91

81.	06/09/92	Rectangular Pipes & Tubes	Taiwan	03/01/90-02/28/91
	Ornatube Enterprise Co., Ltd.		18.05%	
	All Others		18.05%	
82.	05/13/92	Brass Sheet & Strip	Canada	01/01/90-12/31/90
	Wolverine Tube (Canada), Inc.		21.32%	
	All Others		0.00%	
83.	07/15/92	Greige Polyester/Cotton Printcloth	China	09/01/88-08/31/89
	Chinatex		22.4%	
	All Others		22.4%	
84.	07/02/92	Barium Chloride	China	10/01/90-09/30/91
	China National Chemicals Import & Export Corp. (Sino Chem)		60.84%	
	All Others		7.82%	
85.	07/02/92	Industrial Belts	Singapore	06/01/90-05/31/91
	Mitsuboshi Belting (Singapore) (MBS)		31.73%	
	All Others		31.73%	
86.	07/09/92	Cotton Shop Towels	China	10/01/89-09/30/90
	Tianjin Arts & Crafts Import and Export Corp. (TAC)		72.14%	
	Chinatex		122.81%	
	China National Arts & Crafts Import and Export Corp. (CNART)		122.81%	
	All Others		122.81%	
87.	07/10/92	Porcelain on-Steel Cookware	China	12/01/90-11/30/91
	Clover Enamelware Enterprise, Ltd./ Lucky Enamelware Factory, Ltd. (Hong Kong)		66.65%	
	All Others		13.76%	
88.	07/01/92	Brass Sheet & Strip	Sweden	03/01/90-02/28/91
	Outokumpu Copper Products AB (OAB)		9.49%	
	All Others		6.69%	
89.	07/13/92	Industrial Belts	Italy	06/01/90-05/31/91
	Pirelli Transmissioni Ind., S.p.A.		74.90%	
	All Others		74.90%	
90.	09/10/92	Welded Carbon Pipes & Tubes	Thailand	03/01/91-02/29/92
	Terminated 09/10/92.			

91.	09/14/92	Industrial Belts	Singapore	02/01/89-05/31/90
	Mitsuboshi Belting (Singapore) (MBS)		31.73%	
92.	09/22/92	Cotton Shop Towels	China	01/01/90-09/30/91
	Tianjin Arts & Crafts Import and Export Corp. (TAC)		72.14%	
	All Others		122.81%	
93.	10/05/92	Large Power Transformers	Japan	06/01/90-05/31/91
	Fuji Electric Co., Ltd.		5.90%	
	All Others		5.90%	

IV. COUNTERVAILING REVIEWS COMPLETED FY92:

NO.	FINAL	PRODUCT	NATION	POR
1.	04/01/92	Steel Wire Nails	Thailand	01/01/89-12/31/89
	Total Grant:	0.46%(excluded)		
2.	02/13/92	Butt-Weld Pipe Fittings	Thailand	11/03/89-12/31/90
	Total Grant:	11/03/89-12/31/89-1.02% 01/01/90-12/31/90-1.76%		
3.	03/16/92	Butt-Weld Pipe Fittings	Thailand	01/01/91-12/31/91
	Terminated 03/16/92.			
4.	10/09/91	Pipes and Tubes	Thailand	01/01/88-12/31/88
	Total Grant:	2.86%		
5.	06/15/92	Ball Bearings	Thailand	01/01/90-12/31/90
	Total Grant:	8.51%		
6.	02/25/92	Textile Mill Products	Mexico	01/01/90-12/31/90
	Net Subsidy:	0.09%(excluded)		
7.	01/07/92	Porcelain-On-Steel Cookware	Mexico	01/01/90-12/31/90
	Total Grant:	CINSA, S.A.	0.00%(excluded)	
		All Others	3.26%	
8.	03/16/92	Porcelain-On-Steel Cookware	Mexico	01/01/91-12/31/91
	Terminated 03/16/92.			
9.	06/08/92	Ceramic Tile	Mexico	01/01/90-12/31/90

Total Grant: 0.00%(excluded) for the following companies:

1. Agustin Cedillo Ruiz
2. Alejandro Estrada
3. Antonio Avila
4. Apolonio Arias
5. Aurelio Cedillo Ruiz
6. Azulejos Orion
7. Barros Tlaquepaque
8. Casimiro Chavez
9. Eduardo Garcia de la Pena
10. Emilio Pacheco
11. Faustino Nuncio
12. Fernando Espinoza Sanchez
13. Francisco Gomez
14. Francisco Rincon
15. Gergorio Bustos
16. Guadalupe Avila
17. Industrias Intercontinental
18. Inocencio Leija
19. J. Garza Arocha
20. Jesus Flores
21. Jesus Gallegos Oliveres
22. Jesus Hernandez Tovar
23. Jesus Jiminez
24. Jose Antonio Mata
25. Jose Arellano Valdez
26. Jose Dolores Hernandez
27. Jose Refugio Silva
28. Jose Silva Romero
29. Juan Cortez Coronel
30. Juan Rodriguez Rocha
31. Julio Coronado
32. Julio Jiminez
33. Julio Ulloa Rodriguez
34. Ladrillera La Luz
35. Ladrillera Monterrey
36. Leoncio Sanchez
37. Leopoldo Montiel Rincon
38. Materiales Rodriguez
39. Matias Barajas\
40. Matias Reyes
41. Norberto Cuellar
42. Pedro Aguilar
43. Pedro Hernandez
44. Pedro Lopez Alonso
45. Pisos Coloniales de Mexico
46. Ramon Medina
47. Ramon Torres Avila
48. Raul Leija
49. Reynol Martinez Chapa
50. Ricardo Padilla
51. Roberto Elizondo
52. Ruben Cuellar

53. Sotero Jalomo Reyna
54. Teofilo Covarrubias
55. Tranquilino Flores
56. Vicente Jalome Reyna
57. Zenon Cortez Coronel

All Others-1.74%

10.	06/08/92	Standard Chrysanthemums	Netherlands	01/01/90-12/31/90
	Net Subsidy: 0.37%(excluded)			
11.	07/09/92	Standard Chrysanthemums	Netherlands	01/01/91-12/31/91
	Terminated 07/09/92.			
12.	10/21/91	Certain Apparel	Argentina	01/01/90-12/31/90
	Terminated 10/21/91.			
13.	12/10/91	Oil Country Tubular Goods	Argentina	01/01/89-12/31/89
	Total Grant: 0.36%(excluded)			
14.	04/10/92	Shop Towels	Pakistan	01/01/90-12/31/90
	Total Grant: 6.28%			
15.	03/26/92	Pig Iron	Brazil	01/01/90-12/31/90
	Net Subsidy: 0.06%(excluded)			
16.	11/06/91	Brass Sheet and Strip	Brazil	01/01/89-12/31/89
	Cash Deposit Rate: 0.00%(excluded)			
17.	01/14/92	Cotton Yarn	Brazil	01/01/90-12/31/90
	Net Subsidy:	Fiancao Nordeste du Brasil S.A.		7.75%
		Unitika do Brasil Industria Textil Ltda.		0.20%(excluded)
		Fiacao e Terelagam Kanebo du Brasil S.A.		0.00%(excluded)
		All Others		1.29%
18.	01/21/92	Construction Castings	Brazil	01/01/90-12/31/90
	Net Subsidy: 0.33%(excluded)			
19.	05/28/92	Tillage Tools	Brazil	01/01/90-12/31/90
	Net Subsidy: 0.05%(excluded)			
20.	01/14/92	Carbon Steel Products	Sweden	01/01/89-12/31/89

Total Subsidy: 2.56%

21. 04/14/92 Viscose Rayon Staple Fiber Sweden 01/01/90-12/31/90

Net Subsidy: 3.06%

22. 04/16/92 Antifriction Bearings Singapore 01/01/90-12/31/90

Total Grant: Sundstrand-9.11%
All Others-0.00%(excluded)

23. 10/07/91 Live Swine Canada 04/01/89-03/31/90

Net Subsidy: Slaughter sows & boars-Can$0.0049/lb.
Other live swine-Can$0.0932/lb.

24. 08/31/92 Industrial Phosphoric Acid Israel 01/01/90-12/31/90

Net Subsidy: 12.11%

25. 03/23/92 Roasted Pistachio Nuts Iran 01/01/90-12/31/90

Review initiation rescinded 03/23/92.

26. 07/14/92 Rebar Peru 01/01/90-12/31/90

Terminated 07/14/92.

27. 03/09/92 Carbon Steel Wire Rod Saudi Arabia 01/01/90-12/31/90

Total Grant: 0.01%(excluded)

28. 10/21/91 Iron Metal Castings India 01/01/88-12/31/89

Net Subsidies: 01/01/88-12/31/88
Uma Iron and Steel Co.-10.03%
Govind Steel Co., Ltd.-14.08%
All Others-4.10%

01/01/89-12/31/89
Carnation Enterprise-16.10%
Uma Iron and Steel Co.-16.22%
Govind Steel Co., Ltd.-21.27%
Tirupati International-21.27%
Raghunath Prasad Phoolchand-21.27%
All Others-2.66%

29. 09/14/92 Aluminum Redraw Rod Venezuela 01/01/90-12/31/90

Cash Deposit Rate: 0.50%

30. 08/20/92 Lamb Meat New Zealand 04/01/90-03/31/91

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WEDNESDAY, APRIL 28, 1993.

BUREAU OF EXPORT ADMINISTRATION

WITNESSES

ROBERT F. KUGELMAN, ACTING UNDER SECRETARY

IAIN S. BAIRD, ACTING ASSISTANT SECRETARY

DOUGLAS E. LAVIN, ACTING ASSISTANT SECRETARY, EXPORT ENFORCEMENT

VICTOR MICIT, DIRECTOR, OFFICE OF BUDGET AND FINANCIAL MANAGEMENT

MARK BROWN, DIRECTOR, OFFICE OF BUDGET

Mr. MORAN. The next item we will consider today is the fiscal year 1994 request for the Bureau of Export Administration within the Department of Commerce. The request is for $34,747,000, which is a decrease of $6,268,000 below the amounts appropriated for FY 1993.

We will insert the justification materials submitted in support of this request into the record at this point.

[The justification follows:]

DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
Budget Estimates, Fiscal Year 1994
President's Submission

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15	Program change detail by object class	BXA-49
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15	Program change detail by object class	BXA-65
10	Industrial resources administration	BXA-67
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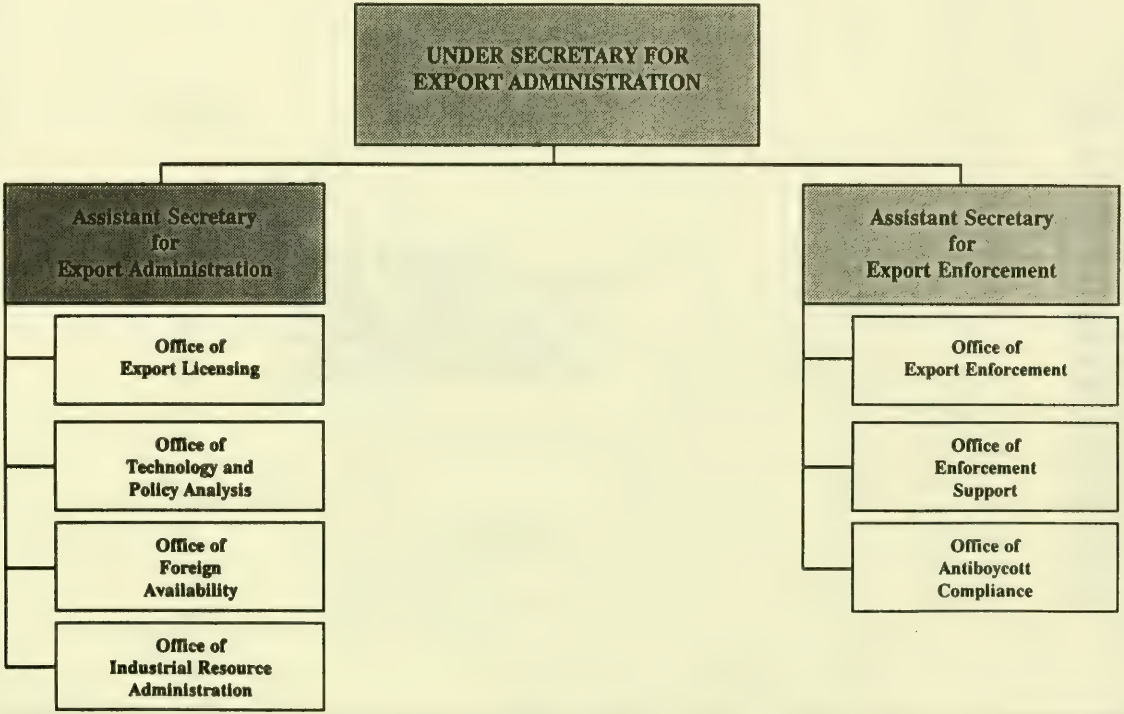
DEPARTMENT OF COMMERCE

Bureau of Export Administration


UNDER SECRETARY FOR EXPORT ADMINISTRATION
Assistant Secretary for Export Administration
Office of Export Licensing
Office of Technology and Policy Analysis
Office of Foreign Availability
Office of Industrial Resource Administration
Assistant Secretary for Export Enforcement
Office of Export Enforcement
Office of Enforcement Support
Office of Antiboycott Compliance

BXA-1

DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
Budget Estimates, Fiscal Year 1994
President's Submission

EXECUTIVE SUMMARY

Goals of the Program

The Bureau of Export Administration's (BXA) primary mission is to protect U.S. national security and foreign policy interests through a system of controls on the export of goods and technology that have both military and civilian end uses. In addition, BXA is the focal point within the Commerce Department for developing, promoting, and implementing policies that ensure a strong, technologically superior defense industrial base. In administering these programs, BXA carefully balances the U.S. economic interest in preserving our vital industrial sectors. The mission is carried out within the Office of the Under Secretary for Export Administration and two primary operating units: Export Administration (EA) and Export Enforcement (EE) which are directed by Assistant Secretaries.

The Department promotes Free and Fair Trade as a major goal. Within this goal, BXA is responsible for a set of key objectives relating to:

Adjusting the Department's export administration programs to reflect global economic and political changes without compromising national security objectives. Changes in Eastern Europe, the Newly Independent States, the Middle East, and other regions require changes in the Department's export administration program so that U.S. security is protected and U.S. businesses can take advantage of potential new job-creating export opportunities.

SUMMARY OF PROGRAM ACTIVITIES

Management and Policy Coordination -- This activity area includes the functions performed by the Office of the Under Secretary and supporting staff offices. This office coordinates and approves the policies relating to BXA's mandate. It provides executive direction to subordinate offices that develop, monitor and coordinate the preparation of various mission related studies, reports, and congressional testimony. It coordinates and monitors participation in interagency staff activity; and represents the Department of Commerce and U.S. Government in both national and international fora. Public Affairs and Congressional Liaison activities are also included in the functions of management and policy coordination, as is the overall management of BXA's overseas posts, the administrative appeals process, and the direction of BXA's Total Quality Management efforts.

Export Administration -- The primary objective of Export Administration (EA) is to protect the national security interests of the U.S. while not inhibiting U.S. industrial competitiveness in the global marketplace. This is achieved by continuing to review, develop and manage efficient export control licensing and policy development processes.

Specific objectives of EA include: (1) implementing non-proliferation export controls on dual-use items; (2) educating industry on changes in export controls and auditing industry compliance programs; (3) in cooperation with the State Department and other agencies, working to strengthen multilateral export controls; (4) streamlining export controls consistent with security requirements; (5) providing information and assistance to the business community; and (6) in cooperation with State and other agencies, working on a bilateral basis to strengthen export controls of individual countries that are not participants in multilateral groups.

Export Enforcement -- The objectives of this program are to: (1) prevent violations of the Export Administration Act (EAA), the Export Administration Regulations (EAR), and the new foreign policy controls contained in the President's Enhanced Proliferation Control Initiative (EPCI); (2) conduct pre-license checks and post-shipment verifications overseas under the Safeguards Regime; (3) sensitize the business community to suspect export transactions through Project Outreach; (4) maintain a corps of specialized professional criminal investigators, who are fully conversant with the EAA and EAR, to investigate and prosecute export control violators; (5) undertake a broad range of associated enforcement activities including the detention, seizure, and forfeiture of commodities, and the arrest of violators of the EAA and EAR; and (6) administer the Antiboycott Compliance program which enforces the antiboycott provisions of the EAA, improves public understanding of the law, and provides consultations with company representatives on complex boycott issues.

Industrial Resource Administration -- The objective of this activity is to develop and carry out policy initiatives to ensure that U.S. defense-related industries are able to meet current and projected defense requirements. IRA works to ensure that economic, trade and technology impacts on the defense industrial base are given due consideration along side foreign policy and national security concerns. Activities include: (1) investigating the impact of imports on national security production capacity (Section 232); (2) assessing the financial, technological and production capabilities of critical defense-related industries; (3) ensuring that defense projects have access to scarce industrial resources; (4) analyzing the impact of military offset agreements on U.S. industrial competitiveness and consulting with allied countries to limit the adverse effects of offsets; (5) evaluating the impact of foreign direct investment on national security; (6) assessing the impact of defense memoranda of understanding on U.S. industry; (7) reviewing and making recommendations regarding the effect of Government laws and policies on defense exports; and (8) promoting industrial preparedness planning with our allies.

SUMMARY OF PERFORMANCE

In reviewing program performance for BXA's programs, the four major budget activities (Management and Policy Coordination, Export

Administration, Export Enforcement, and Industrial Resource Administration) can be treated as one program, with a single vision guiding agency performance:

> "We will be the leading innovator in transforming U.S. strategic trade policy and programs to adapt to the changing world."

This statement is BXA's vision statement, as adopted by BXA's Quality Management Council in 1991. It continues to express the most important challenge that BXA will face during the coming years.

BXA's mandate under the Export Administration Act is to maintain an export control program that supports both national and economic security, dealing with a broad spectrum of products and technologies and having a sophisticated and comprehensive regulatory scheme. BXA handles the majority of dual use licensing cases reviewed by the U.S. Government.

BXA continues to pursue program goals in three broad areas: (1) adapting export controls amidst changing world conditions; (2) harmonizing multilateral non-proliferation export controls and enforcement efforts; and (3) assuring the competitiveness of critical U.S. defense industrial base sectors and technologies.

BXA has worked in cooperation with other agencies to establish or renegotiate five different international arrangements or export controls on dual use items. These address East-West trade (COCOM); chemical and biological weapons proliferation (Australia Group); missile proliferation (Missile Technology Control Regime); nuclear proliferation (Nuclear Suppliers Group); and supercomputer exports.

BXA has expanded its business outreach programs, improved its automated licensing and investigative support systems and completed significant investigations of export control and anti-boycott violations.

BXA has also worked with countries which are not members of multilateral groups to develop and strengthen export control systems. Sweden, Ireland, Austria, Switzerland, New Zealand, Finland and Hong Kong have all been granted preferential licensing benefits under Section 5(k) of the EAA. This is a result of these countries adopting comprehensive export control systems.

In addition BXA has worked with the Eastern European countries of Poland, Hungary and Czechoslovakia. This led to Hungary being removed as a COCOM proscribed country in 1992. BXA is now working with the Baltic States as well as the Newly Independent States to begin developing export control systems under the COCOM Cooperating Forum. This will ultimately permit more liberal trade and investment.

The Enhanced Proliferation Control Initiative (EPCI) (Executive Order 12735) continues to be implemented. Through international groups such as the Nuclear Suppliers Group and the Missile Technology Control Regime, BXA has been able to negotiate new lists in accordance with the EPCI. This will provide for the eventual harmonization of multilateral controls and the reduction of unilateral restrictions.

BXA's criminal investigators completed strategic and non-proliferation enforcement training which included the participation of 12 different federal enforcement and intelligence agencies.

BXA continued to consult with representatives from U.S. industry regarding proliferation issues through meetings of its Business Executive Enforcement Team (BEET).

In the area of the defense industrial base, BXA led an interagency initiative which resulted in the President's decision to seek an extension of machine tool voluntary restraint agreements with Japan and Taiwan. Another major accomplishment was leading a U.S. delegation to Tokyo to begin a constructive dialogue on technology flowback procedures. A multi-year assessment of the extent of foreign sourcing and dependency in three Navy weapons system was completed in March, 1992.

BXA also launched six critical technology studies to assess the financial status and production capabilities of industries supporting DOD's list of 21 critical technologies. This was accomplished through extensive coordination with experts in industry, academia, and other government agencies. A workshop held in support of the critical technologies program attracted nearly 500 participants.

BXA continued to chair the U.S. Russian Defense Conversion Subcommittee and published the first Russian Defense Business Directory in November. An expanded version of the directory will be published in June to inform U.S. private sector entities potentially interested in participating in Russian conversion projects.

The Bureau of Export Administration has program operations in Washington D.C., and eleven U.S. cities (see map on page BXA-8).

SUMMARY OF PROPOSED RESOURCES

The Bureau of Export Administration is the principal Federal export control agency. Since the break-up of the Soviet bloc and the dissolution of the Soviet Union, the volume of export license applications for dual use technologies has declined precipitously. As a result of this workload decline, program decreases are proposed in each of BXA's budget activities. In addition, as part of a "Government-wide" effort to reduce the deficit, a reduction to lower personnel and administrative costs is proposed. All workload estimates for FY 1994, with the exception of license application volume, have been estimated on the basis of resource availability after the reductions are taken.

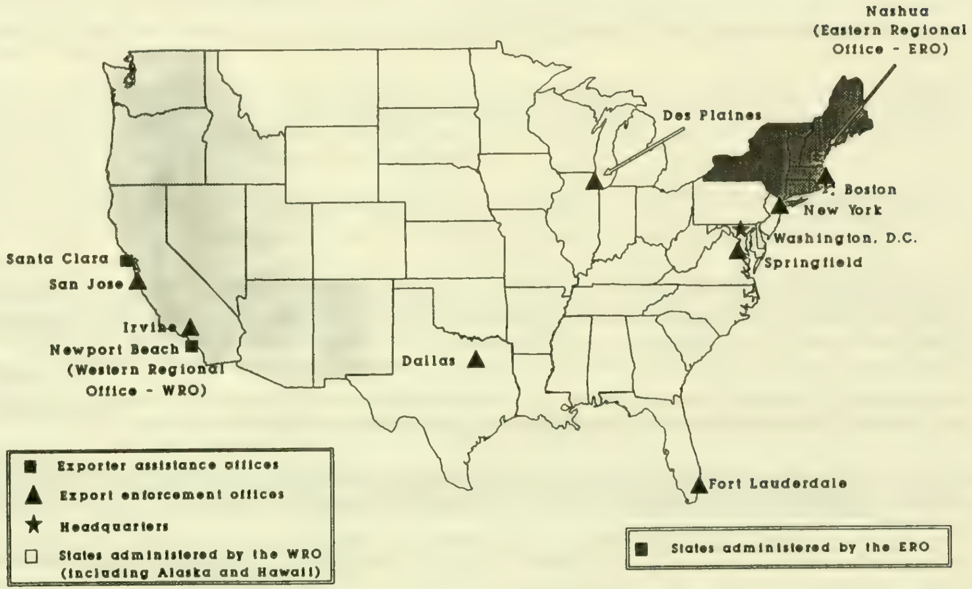
Management and Policy Coordination -- $1,482,000 and 15 positions are requested for this activity. The request includes $42,000 in adjustments-to-base, -$34,000 for personnel/administrative cost reductions, and a program decrease of -4 positions and -$174,000.

Export Administration -- $16,666,000 and 160 positions are requested for this activity. The request includes $556,000 in adjustments-to-base, a reduction of -4 positions and -$451,000 for personnel/administrative cost reductions, and a program decrease of -75 positions and -$4,216,000.

Export Enforcement -- $14,510,000 and 125 positions are requested for this activity. The request includes $367,000 in adjustments-to-base, a reduction of -2 positions and -$302,000 for personnel/administrative cost reductions, and a program decrease of -28 positions and -$1,516,000.

Industrial Resource Administration -- $2,089,000 and 19 positions are requested for this activity. The request includes $68,000 in adjustments-to-base, a reduction of -1 position and -$55,000 for personnel/administrative cost reductions, and a program decrease of -9 positions and -$553,000.

Bureau of Export Administration
Domestic Field Structure



BXA-8

Exhibit-5

Department of Commerce
Bureau of Export Administration
Operations and Administration
Summary of Resource Requirements
(Dollar amounts in thousands)

Page No.		Positions	Budget Authority	FTE
	Amount available for FY 1993 as shown in 1994 President's Budget	442	$41,315	430
	less: December 17, 1992 proposed transfers (not allowed by PL 102-395)	0	(300)	0
	Appropriation, 1993	442	41,015	430
BXA-13	plus: 1994 Adjustments to base	(7)	191	(7)
	less: Unobligated balance from prior year	0	0	0
	1994 Base	435	41,206	423
	plus: 1994 Program changes	(116)	(6,459)	(116)
	1994 Estimate	319	$34,747	307

			1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ Decrease	
	Comparison by Activity:		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
BXA-21	Management and Policy Coordination	Pos./BA	19	$1,845	19	$1,648	19	$1,656	15	$1,482	(4)	($174)
		FTE/Obl.	14	1,998	18	1,706	18	1,656	14	$1,482	(4)	(174)
BXA-31	Export Administration	Pos./BA	269	19,990	239	20,777	235	20,882	160	16,666	(75)	(4,216)
		FTE/Obl.	232	21,643	230	21,520	226	20,882	151	16,666	(75)	(4,216)
BXA-51	Export Enforcement	Pos./BA	171	15,097	155	15,961	153	16,026	125	14,510	(28)	(1,516)
		FTE/Obl.	164	16,346	154	16,457	152	16,026	124	14,510	(28)	(1,516)
BXA-67	Industrial Resource Administration	Pos./BA	29	2,518	29	2,629	28	2,642	19	2,089	(9)	(553)
		FTE/Obl.	29	2,726	28	2,719	27	2,642	18	2,089	(9)	(553)
	Direct Obligations	Pos./BA	488	$39,450	442	$41,015	435	$41,206	319	$34,747	(116)	($6,459)
		FTE/Obl.	439	$42,713	430	$42,402	423	$41,206	307	$34,747	(116)	--
	Adjustments to Obligations											
	Recoveries			(1,781)								
	Transferred from other accounts			0								
	Unobligated balance, start of year			(2,869)		(1,387)						
	Unobligated balance, transferred			0								
	Unobligated balance, end of year			1,387								
	Unobligated balance expiring			0								
	Appropriation		439	$39,450	430	$41,015	423	$41,206	307	$34,747	(116)	($6,459)

Exhibit–7

Bureau of Export Administration

Operations and Administration

SUMMARY OF FINANCING

(Dollar amounts in thousands)

	1992 Actual Amount	1993 Currently Available	1994 Base Amount	1994 Estimate Amount	Increase/ Decrease Amount
Total Obligations	$43,240	$43,402	$41,906	$35,447	($6,459)
Financing:					
Offsetting collections from:					
Federal funds	0	0	0	0	0
Trust funds	(527)	(700)	(700)	(700)	0
Non–Federal sources	0	0	0	0	0
Recovery of prior year obligations	(1,781)	0	0	0	0
Unobligated balance, start of year	(2,869)	(1,387)	0	0	0
Unobligated balance, end of year	1,387	0	0	0	0
Budget Authority	39,450	41,315	41,206	34,747	(6,459)
Financing:					
Transfer from other accounts	0	(300)	0	0	0
Transfer to other accounts	0	0	0	0	0
Appropriation	$39,450	$41,015	$41,206	$34,747	($6,459)

Exhibit 8

Department of Commerce
Bureau of Export Administration
Operations and Administration
Adjustments to Base

(Dollar amounts in thousands)

	Pos.	FTE	Amount
Adjustments:			
FTE Reduction	(7)	(7)	($441)
Administrative Expenses	0	0	(401)
Subtotal, Adjustments	(7)	(7)	(842)
Other Changes:			
FY 1993 Pay Raise	0	0	219
Employees Compensation Fund	0	0	(2)
Within-Grade Step Increase	0	0	323
Civil Service Retirement System (CSRS)	0	0	22
Federal Employees Retirement System (FERS)	0	0	(49)
Thrift Savings Plan (TSP)	0	0	(6)
Federal Insurance Contributions Act (FICA)	0	0	(16)
Health Insurance	0	0	107
Transportation of things	0	0	84
Rental payments to GSA	0	0	134
Communications and utilities	0	0	35
Printing and reproduction	0	0	9
Working Capital Fund	0	0	168
Supplies and materials	0	0	5
Subtotal, Other Changes	0	0	1,033
Total, adjustments to base	(7)	(7)	$191

Exhibit–9

Department of Commerce
Bureau of Export Administration
Operations and Administration
Justification of Adjustments to Base
(Direct Obligations in thousands)

Adjustments:

	FTE	Amount
FTE Reduction	(7)	($441)

Pursuant to the Executive Order on Reduction of 100,000 Federal Positions, there will be a reduction of 7 FTEs in 1994. This will result in a savings of $441,000

	FTE	Amount
Administrative Expenses	0	(401)

Pursuant to the Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government, there will be a savings of $401,000 in 1994 for administrative expenses.

	FTE	Amount
1993 Pay Raise	0	219

A general pay raise of 3.7% was effective January 1, 1993.

Total cost in 1994 of 1993 pay raise	$983,000
Less amount funded in 1993 request	(764,000)
Less amount absorbed in 1993	0
Amount requested in 1994 to provide full–year cost of 1993 pay increase	219,000
Payment to the Working Capital Fund	0
Total, adjustment for 1993 pay increases	$219,000

	FTE	Amount
Employees Compensation Fund	0	(2)

The Employee's Compensation Fund bill for BXA for the year ending June 30, 1992 is $2,000 less than the bill for the year ending June 30, 1991. The charges will be reimbursed to the Department of Labor in FY 1994, pursuant to 5 U.S.C. 8147.

	FTE	Amount
Within–Grade Step Increase	0	323

An increase of $322,618 is required to cover the cost of within–grade step increases. This estimate reflects the net cost of step increases including merit pay increases which will be earned in 1994.

Estimated number of within–grade step increases	305
Step increases not earned due to turnover (15.6% X 305)	48
Average step above step 1 per separation	2
Average cost per within–grade step increase	$1,342
Gross cost of scheduled step increases ($1,342 X 305)	409,310
Less savings due to separations ($1,342 X 48 X 2)	(128,832)
Subtotal, personnel compensation	280,478
Benefits	42,140
Total adjustment–to–base	$322,618

	FTE	Amount
Civil Service Retirement System (CSRS)	0	22

The number of employees covered by the Civil Service Retirement System (CSRS) is expected to slightly increase. The estimated percentage of payroll for employees covered by CSRS will increase from 52.2 percent in 1993 to 53.8 peracent in 1994 for regular employees and foreign service employees. Contribution rates will remain the same.

Regular Employees:	
CSRS Cost in 1994 ($14,984,000 x .538 x .070)	564,297
CSRS Cost in 1993 ($14,984,000 x .522 x .070)	547,515
Increase in CSRS costs	16,782
Foreign Service Employees and Law Enforcement Officers:	
CSRS Cost in 1994 ($3,984,000 x .538 x .075)	160,754
CSRS Cost in 1993 ($3,984,000 x .522 x .075)	155,974
Increase in CSRS costs	4,781
Total adjustment–to–base	21,563

	FTE	Amount
Federal Employees' Retirement System (FERS)	0	(49)

The number of employees covered by FERS is expected to slightly decrease in 1994. The estimated percentage of payroll for employees covered by FRES will decrease from 47.8 percent in 1993 to 46.2 percent in 1994 for regular regular employees and foreign service employees. Contribution rates will remain the same.

Regular Employees:	
FERS cost in 1994($14,984,000 x .462 x .129)	893,016
FERS cost in 1993 ($14,984,000 x .478 x .129)	923,943
Decrease for Regular Employees	**(30,927)**
Law Enforcement Agents:	
FERS cost in 1994 ($3,811,000 x .462 x .273)	480,666
FERS cost in 1993 ($3,811,000 x .478 x .273)	497,313
Decrease for Law Enforcement Agents	**(16,647)**
Foreign Service Employees:	
FERS cost in 1994 ($173,000 x .462 x .2410)	19,262
FERS cost in 1993 ($173,000 x .478 x .2519)	20,831
Decrease for Foreign Service Employees	**(1,568)**
Total adjustment–to–base	**(49,143)**

	FTE	Amount
Thrift Savings Plan (TSP)	0	(6)

The cost of BXA's contribution to the Thrift Savings Plan is expected to decrease as a result of the anticipated decrease in BXA's FERS participation. The contribution rate is expected to remain at 2 percent.

Cost in 1994 ($18,968,000 x .462 x .02)	175,264
Cost in 1993 ($18,968,000 x .478 x .02)	181,334
Total adjustment–to–base	**(6,070)**

	FTE	Amount
Federal Insurance Contributions Act (FICA)	0	(16)

As the percentage of payroll covered by FERS decreasess, the cost of OASDI contributions will also decrease. In addition, the maximum salary subject to OASDI tax will rise from $52,725 to $55,425 in 1994. The OASDI tax rate will remain at 6.2% in 1994.

Regular Employees:	
1994 $14,984,000 x .462 x .9511 x .0620	408,214
1993 $14,984,000 x .478 x .9483 x .0620	421,108
Subtotal	(12,894)
Foreign Service:	
1994 $173,000 x .462 x 1.00 x .0620	4,955
1993 $173,000 x .478 x 1.00 x .0620	5,127
Subtotal	(172)
Law Enforcement Agents:	
1994 $3,811,000 x .462 x .9903 x .0620	108,103
1993 $3,811,000 x .478 x .9842 x .0620	111,158
Subtotal	(3,055)
Other than Permanents:	
1994 $1,100,000 x 1.00 x .9511 x .0620	64,865
1993 $1,100,000 x 1.00 X .9483 x .0620	64,674
Subtotal	191
Total adjustment–to–base	(15,930)

	FTE	Amount
Health Insurance	0	107

Effective January 1992, BXA's contribution to Federal employees' health insurance premiums increased 8.8 percent. Applied against the 1993 estimate of $1,221,000, an additional amount of $107,448 is requested.

	FTE	Amount
Transportation of Things	0	84

An increase of $84,000 is requested to cover the increased lease cost (increase determined from GSA negotiations with various leasing companies) of enforcement vehicles in our eight field offices.

	FTE	Amount
Rental Payments to GSA	0	134
GSA rates are projected to increase 3.0 percent in 1994. This percentage was applied to the 1993 estimate of $4,450,000 to arrive at an increase of $133,500.		
Communications and Utilities	0	35
The Washington Interagency Telecommunications System (WITS) telelphone conversion will be installed in the Department, converting the centrex switch to GSA/WITS switch. The estimated increase in operating costs is $35,000 due to GSA imposed line charges in the Hoover Building.		
Printing and Reproduction	0	9
GPO has provided an estimated rate increase of 3.7% in 1994. This percentage was applied to the 1993 estimate of $250,000 to arrive at an increase of $9,250.		
Working Capital Fund	0	168
An additional $168,313 is requested to fund cost increases in the General Administration's Working Capital Fund. This represents an increase of 2.7% over the 1993 estimate of $6,257,000.		
Supplies and Materials	0	5
Based on the GNP deflator of 2.4%, the cost of supplies and materials is expected to increase by $5,184 from the 1993 estimate of $216,000.		
Total, Adjustment to Base and Built-in-Changes	**(7)**	**$191**

Exhibit–10

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program and Performance: Direct Obligations
(Dollar amounts in thousands)

Budget Activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination.............	Pos./B.A.	19	$1,845	19	$1,648	19	$1,656	15	$1,482	(4)	($174)
	FTE/Obl.	14	1,998	18	1,706	18	1,656	14	1,482	(4)	(174)

JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Management and Policy Coordination

Goals and Objectives

Goal: To provide executive direction and policy guidance necessary for the effective administration of U.S. export control laws and defense industrial base authorities.

Objectives: Pursuant to the Export Administration Act of 1979, as amended, the Defense Production Act of 1950, as amended, and other applicable statues, the objectives of this activity are to: develop, implement and enforce export controls for reasons of national security, foreign policy and short supply; expedite decontrol of non-critical commodities; establish multilateral control and enforcement regimes, take prompt, aggressive action against violations of U.S. export control statutes; harmonize export control programs with our allies; oppose restrictive trade practices or boycotts; and develop/implement sound policies relating to the U.S. defense industrial base.

Base Program

This activity funds the Office of the Under Secretary for Export Administration and supporting offices. BXA officials provide management and policy guidance to the Assistant Secretaries responsible for the operation of statutory export control, export enforcement and defense industrial base programs. Also included in this activity are Congressional Affairs and Public Affairs activities, as well as BXA Export Control Attaches in aris France and New Delhi India who have regional responsibility for all BXA international export control operations.

Ongoing responsibilities of this activity include: (1) providing management and policy guidance; (2) performing oversight responsibilities; (3) establishing the Bureau of Export Administration's (BXA) overall policy agenda; (4) setting management objectives to be pursued by the operating units and evaluating the performance of these units; (5) providing policy support to the Secretary of Commerce on matters relating to BXA's statutory responsibilities; (6) carrying out a select number of high-level policy and program initiatives each year which generally involve other governments, other executive agencies, and the intelligence community; (7) preparing reports, Congressional testimony, etc. relating to BXA activities; (8) representing the Department in ongoing dialogues with other agencies such as the Defense Department, the U.S. Customs Service, the State Department, and the U.S. Trade Representative on export control issues; (9) providing leadership to international negotiations at the Coordinating Committee on Multilateral Export Controls (COCOM); and (10) handling appeals of licensing and enforcement decisions as part of an extended legal process involving Departmental Administrative Law Judges and the Office of the General Counsel.

DEPARTMENT OF COMMERCE
Bureau of Export Administration
Operations and Administration

Decrease for FY 1994
(Direct obligations in thousands)

	FY 1994 Base		FY 1994 Est.		Incr.(+)/Dec.(-)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Management and Policy Coordination............	19	$1,656	15	$1,482	(4)	($174)

Workload Reduction (-4 Positions and -$174,000): This decrease is being proposed as part of an overall reduction to BXA's base. Since the break-up of the Soviet bloc and the dissolution of the Soviet Union, BXA's workload associated with export control licenses on dual use technologies has precipitously declined. This reduction will reduce funding for all areas of Management and Policy Coordination including Congressional and Public Affairs.

Exhibit–14

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program Change Personnel Detail

Activity: Management and Policy Coordination
Subactivity: Management and Policy Coordination
Program Change: Workload Reduction

Title:	Grade	Number	Annual Plan	Total Salaries
Public Affairs Specialist	GS–11	(1)	34,744	($34,744)
Executive Secretariat Liason	GS–09	(1)	27,789	(27,789)
Secretary	GS–06	(1)	20,433	(20,433)
Correspondence Assistant	GS–05	(1)	18,340	(18,340)
Total		(4)		($101,306)

Personnel Data:	Number
Full–time Equivalent Employment:	
Full–time permanent	(4)
Other than full–time permanent	0
Total	(4)
Authorized Positions:	
Full–time permanent	(4)
Other than full–time permanent	0
Total	(4)

Exhibit–15

Department of Commerce
Bureau of Export Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Activity: Management and Policy Coordination
Subactivity: Management and Policy Coordination
Program Change: Workload Reduction

Object Class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full–time permanent	($101)
11.3	Other than full–time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	**Total personnel compensation**	(101)
12.1	Civilian personnel Benefits	(21)
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	(36)
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	(1)
24	Printing and reproduction	0
25	Other services	(15)
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Total obligations**	($174)

Exhibit–10

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program and Performance: Direct Obligations

(Dollar amounts in thousands)

Budget Activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration........	Pos./B.A.	269	$19,990	239	$20,777	235	$20,882	160	$16,666	(75)	($4,216)
	FTE/Obl.	232	21,643	230	21,520	226	20,882	151	16,666	(75)	(4,216)

JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Export Administration

Goals and Objectives

Goal: To safeguard U.S. national security and foreign policy interests through effective administration of U.S. export control laws relating to dual use technologies and weapons of mass destruction.

Objectives: Pursuant to the Export Administration Act of 1979, as amended, (the Act), the objectives of this activity are to develop and implement export controls; expedite decontrol of non-critical commodities; harmonize export control programs among our allies; continuously improve license application analysis; and ensure knowledge of U.S. export regulations by the business community.

Base Program

Export Administration (EA) exercises licensing jurisdiction over the export of dual-use commodities and technical data from the United States and the re-export of these commodities and technical data from foreign destinations authorized by the Act. Exports of commodities or technical data for which there are strategic or foreign policy concerns require formal authorization through issuance of an export license. EA controls the export of all commodities and technical data within its jurisdiction by means of a general, validated, or special license.

The volume of license applications dealing with East-West Trade, the simplest to process, has declined. License applications related to foreign policy export controls targeted at preventing the proliferation of nuclear, chemical and biological weapons and missile systems present a new challenge to the United States. Application requires licensing consultations with exporters and more extensive communications with advisory agencies. These applications must be closely coordinated with other agencies and with senior management. The volume of these types of applications may increase as U.S. companies export more to the emerging democracies in Eastern Europe, the Newly Independent States of the former Soviet Union and other countries of concern.

The major activities undertaken by EA include: (1) interpreting and applying policies and procedures in the review and analysis of export license applications; (2) providing clear and concise guidance on policies developed to contain the proliferation of missiles, nuclear, chemical and biological weapons; (3) ensuring knowledge of export regulations by the business community; (4) identifying and analyzing transactions posing significant technical and/or policy problems; (5) conducting technical and foreign availability analyses of products (to determine and recommend the extent of controls to be applied); (6) preparing statutory reports on export control activities for submission to the President and to the Congress); (7) developing and publishing export control regulations and procedures; (8) providing support for

Government/Industry Technical Advisory Committees (chartered under the Act); (9) issuing export licensing guidance for BXA's Office of Export Enforcement (OEE), Customs Service agents, and U.S. and Foreign Commercial Service Officers; (10) providing technical and policy support for bilateral and multilateral export control negotiations; (11) providing the business community assistance through seminars, responses to inquiries and publications by BXA's Exporter Counselling staff at headquarters, the Western Regional Office (WRO) and the Eastern Regional Office (ERO); (12) providing commodity classification reviews (to determine which items are subject to export control) as well as providing advisory opinions to exporters; and (13) conducting foreign and domestic systems reviews of special license holders (to ensure compliance with the Export Administration Regulations).

The EA activity is comprised of three program areas: (1) Export Licensing; (2) Technology and Policy Analysis; and (3) Foreign Availability.

Export Licensing: Export Licensing (OEL) is the focal point in BXA for the analysis, interpretation and decision making on all export and re-export licensing transactions involving all items and technical data that are controlled for reasons of national security and foreign policy. Dual-use commodities (i.e. items having civil as well as military applications) require formal authorization from OEL prior to shipment. OEL consults with the Departments of State, Energy, Defense, the intelligence community and the Nuclear Regulatory Commission as required by statute, Executive Order or Interagency Agreements. OEL provides guidance on the policies implemented by the US on non-proliferation. This includes how the policies are implemented and assistance to the business community on compliance. To this end, OEL works in partnership with industry to stem the flow of products and technology to proliferators or diverters. OEL works with the U.S. exporting community to structure approvable transactions within existing regulatory and policy guidelines. OEL will continue to promote Administration initiatives to enhance competitiveness of U.S. exporters through the decontrol of low level, nonstrategic commodities. In response to the changes currently underway in Eastern Europe and the Newly Independent States, OEL reviews higher level exports that have not been previously approved to these destinations, to ensure that they do not entail significant national security, foreign policy or non-proliferation concerns.

OEL is responsible for providing clear guidance on the non-proliferation policies of the U.S. In FY 1992, OEL developed a recommended set of guidelines for exporters to follow in establishing an Export Management System (EMS) (i.e. industry compliance programs). The EMS will help companies reduce the risk of doing business with end-users involved in missiles, nuclear, biological or chemical weapons. OEL incorporates instructions on EMS into its extensive seminar program and provides printed material on the subject.

OEL administers a broad special licensing regime which grants authority for multiple shipments to pre-approved overseas consignees for a variety of end-uses and reexport territories. A number of different special licenses are available depending on the exporting scenario (e.g., resale in the form received, incorporation into foreign-made products, capital expansion project, servicing, etc.). Foremost is the Distribution License permitting shipments of products to 4,000 consignees abroad. Because of the high volume of shipments and extended life of these special licenses, an extensive foreign and domestic review process is conducted to ensure adherence to applicable regulatory procedures, conditions, and policies. The special licensing regime is undergoing expansion in the form of a new license and the number and types of products eligible for shipment under these licenses.

OEL is responsible for coordinating BXA's outreach program to the domestic and international business community, in addition to its direct licensing responsibilities. OEL provides the exporting community direct access to the licensing process through its Exporter Counseling Division in Washington, D.C. This ensures that exporters can obtain assistance in complying with the Export Administration Regulations (EAR) and structuring their particular shipments. OEL manages BXA's Export Seminar Program which provides instruction and guidance to exporters about EAR through domestic and overseas educational seminars and workshops; arranges "in-house" training courses on the EAR for DOC and other Federal officials; operates a foreign visitors program to brief foreign government officials on export control issues; and develops publications to explain licensing requirements to the domestic and international business community.

BXA's Western Regional Office (WRO) and the Eastern Regional Office (ERO) are an integral part of OEL's outreach program in their specific regions. The offices provide extensive and substantive counseling and assistance to the exporting community on a wide range of subjects including: (1) export licensing policies; (2) the regulatory requirement of the EAR; (3) application processing; (4) emergency license application handling; (5) special and distribution licenses; (6) issuance of Import Certificates; (7) development of seminars and workshops; and (8) overseeing of forms publication and distribution. The WRO also conducts reviews of distribution licenses and works closely with the International Trade Administration in the Western Region.

Technology and Policy Analysis: The Office of Technology and Policy Analysis (OTPA) develops overall policies for the licensing of exports; provides policy and technical expertise across a broad array of technologies and diverse country and commodity-specific issues; reviews and assists in the development of U.S. Government proposals to revise the multilateral export control lists maintained by COCOM, the Nuclear Suppliers Group (NSG), the Missile Technology Control Regime (MTCR), the Australia Group (AG), and the Supercomputer Control Regime; provides commodity classifications and advisory opinions to exporters; drafts and publishes the Export Administration Regulations (EAR); and most recently, has represented BXA in the design and delivery of technical assistance to Eastern Europe and the Former Soviet Union on the development of COCOM - approvable export control programs.

o OTPA engineers: (1) develop and negotiate controls for implementation in the EAR; (2) review the U.S. unilateral and multilateral control lists; (3) participate both in national and international meetings to discuss and develop technical rationales critical to negotiating effective levels of control; (4) respond to commodity classification and advisory opinion requests from U.S. exporters and enforcement agencies; (5) represent the Department in Technical Advisory Committee (TAC) meetings to consult with U.S. industry regarding export control issues; (6) review, analyze and resolve cases in interagency dispute and precedent setting export applications including appeals; (7) resolve jurisdictional issues between the International Traffic in Arms Control (ITAR), administered by State, and the EAR, administered by Commerce; and (8) provide expert technical advice and policy options to BXA policy officials.

- OTPA regulation staff are responsible for drafting and publishing the Export Administration Regulations. This involves analyzing and developing concepts, identifying issues, resolving problems with both technical and policy implications, and drafting regulatory changes in clear and concise language.

- OTPA Country Specialists: (1) analyze country-specific and non-technical export control issues relating to U.S. strategic and foreign policy concerns; (2) develop U.S. export licensing policy alternatives and regulatory recommendations for policy level export control officials; and (3) develop export control policy recommendations, represent the Department in inter-agency meetings and on U.S. delegation in bilateral and multilateral negotiations to discuss U.S. positions on a wide range of export control issues; and support USG technical assistance projects for Eastern Europe and the Former Soviet Union.

- OTPA Non-proliferation Specialist develop export control policies related to stemming the proliferation of nuclear, chemical, and biological weapons and ballistic missiles and represent the Department in multilateral negotiations and at interagency meetings regarding export policy on items of special concern.

Foreign Availability: Foreign availability (FA) ensures that export controls achieve U.S. national security and foreign policy objectives without adversely affecting the economic competitiveness of U.S. industries in world markets. FA's analyses provide BXA with information needed to make informed judgments on the controllability, proliferation and application of strategic technologies worldwide.

FA has statutory responsibility for conducting assessments of commodities and technology items, including the collection of all data needed to provide evidence of foreign availability and the feasibility of continued control. The data is analyzed and a recommendation is provided to the Secretary for his determination of whether actual foreign availability exists. If the determination concludes that foreign availability exists, then one of the following will occur: (1) the requirement for a validated license is removed; (2) the President determines that, for reasons of national security, the export control be maintained notwithstanding the positive determination of foreign availability (i.e., a National Security Override); or (3) the item is controlled multilaterally under COCOM and therefore, the U.S. Government must submit the foreign availability determination to COCOM for review. If foreign availability does not exist, the requirement for a validated license will remain in place.

Assessments are conducted in response to: (1) claims of foreign availability and the evidence of such submitted by exporters; (2) certification from a Technical Advisory Committee as to the existence of foreign availability; and (3) the Secretary's decision to initiate an assessment.

FA also focuses on assessments of items controlled for foreign policy purposes. FA reviews the effectiveness of foreign policy controls (i.e., likelihood of achieving their intended foreign policy purpose in light of foreign availability) and undertakes studies to evaluate proposed new foreign policy controls. These efforts support international negotiations aimed at obtaining multilateral compliance with nonproliferation regimes, and enable U.S. negotiators to work with our allies in harmonizing the implementation of the respective control systems.

Foreign availability studies are also performed in support of the COCOM List Review in order to: (1) propose modifications of the Core List; (2) assess the effectiveness of new on-going controls; (3) initiate decontrol actions; and (4) recommend export control negotiations.

In addition to technology specific foreign availability analyses, FA evaluates the overall efficacy and systemic vulnerabilities of other countries' export control systems. Such systemic evaluations enable BXA to determine whether the export controls that have been agreed to by other countries are being effectively implemented.

Foreign Availability is also collaborating with IRA in the evaluation of foreign competition in emerging critical technologies as required by Section 825 of the Defense Authorization Act. FA evaluates the technological advances being made by other countries as well as any foreign government policies that facilitate such developments.

BXA's Foreign Availability staff provides analytical support to the short supply control process and has been a major contributor to Commerce initiatives in support of Russian Defense Conversion.

WORKLOAD MEASURES

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Export Licensing:			
Licensing Decision Activities:			
License Applications Processed:[1]			
COCOM Member Country	3,697	2,500	2,500
Other Free World	16,568	20,000	20,000

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[1] Includes licenses pending from previous years and those which were referred to other agencies.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Bloc	1,675	2,300	2,300
PRC	2,057	2,000	2,000
Total	23,997	26,800	26,800
Disposition of License Applications Processed:[2]			
Approved	20,084	23,000	23,000
Denied	348	300	300
Returned Without Action	3,416	2,800	2,800
Other Administrative Actions[3]	119	200	200
Total	23,967	26,300	26,300
Licenses Referred to Other Agencies During the Fiscal Year	10,954	13,000	13,000
Emergency Cases[4]	243	250	250
Average Processing Times:[5]			
Free World Requests	23	25	28

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[2] Licenses referred and non-referred includes license cases which may be counted more than once if referred to more than one agency for review.

[3] Includes applications suspended, canceled and revoked.

[4] Emergency processing of a license at the exporters request; 1-day processing time.

[5] Represents number of calendar days required for processing.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Bloc Requests	37	40	65
PRC Requests	61	60	75
COCOM Requests	9	10	14
Special Licenses:			
Currently Held	383	380	380
Average Processing Time (days)	22	27	40
License System Reviews:			
IVL Reviews	846	1,110	0 *
Special License System Reviews:			
o Domestic Reviews (audits)	61	34	20 *
o Foreign Reviews (audits)	53	48	10 *
Total	114	82	30 *
EPCI End-User Analyses	4,633	10,000	0 *
Outreach Consultations:			
STELA Inquiries	113,204	114,000	100,000
Headquarters Phone Inquiries	72,107	70,000	57,000 *
Regional Office Inquiries:			
o WRO (Southern California)	115,102	115,000	90,000 *
o Northern California Branch	42,179	50,000	27,000 *

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
o ERO (Nashua, NH)	36,734	35,000	30,000 *
Pre-licensing Consultations	4,620	4,500	1,000 *
Licensing Consultations	18,750	18,000	18,000
Education of Industry:			
Headquarters Seminars	39	41	12 *
Headquarters Presentations	293	300	40 *
Regional Office Seminars:			
o WRO (Southern California)	179	200	53 *
o Northern California Branch	40	40	27 *
o ERO (Nashua, NH)	42	40	10 *
Regulatory Licensing Impact Analyses:			
Licensing Policy Directives[6]	26	30	30
Interagency Licensing Analysis Review Meetings	126	120	71 *
Intra-agency Licensing Analysis Review Meetings	28	40	27 *
Licensing Policy Trend Analysis	18	26	0 *
Technology and Policy Analysis:			
Case Referrals	1,660	1,800	2,500

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[6] Includes Licensing and Special Licensing Officer Manuals in addition to Heads-up Notices.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Classifications	7,854	8,500	10,000
Average Classification Processing Time[7]	14	19	40
Average Number of Classifications per Engineer	48	50	108
NSD 53 Meetings & Preparation[8]	1,905	1,900	800 *
Exodus & OEE cases	622	600	250 *
Commodity Jurisdictions	334	350	200 *
Seminar Participation[8]	67	70	0 *
Training/Preparation for Foreign Governments[8]	191	200	0 *
Advisory Opinions	210	250	0 *
Support for Technical Advisory Committee Meetings[8]	157	160	65 *
Interagency Negotiations[8]	600	650	300 *
International Negotiations[8]	564	550	400 *
Export Control Proposals	141	150	50 *
Foreign Policy Reports to Congress[9]	3/84	5/175	5/175

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[7] Represents number of days.

[8] Represents number of staff days

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Court Testimony & Preparation[9]	21	30	30
Federal Register Notice[10]	90	90	90
Export Regulations/Bulletins[10]	1,640	1,650	1,650
Regulatory Changes	45	40	40
Annual Reports/Denial Orders/Other	166	168	150
Foreign Availability:			
Congress[11]	3	2	0 *
Foreign Availability Pre-R&A Data Gathering[12]	13	2	8
Foreign Availability Assessments Initiated	0	2	4
Foreign Availability Reviews Initiated	11	2	0 *
Foreign Availability Reviews & Assessments Completed	16	6	4 *
Foreign Industry Analysis for Critical Technology Assessments:			

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[9] Represents number of reports/number of pages.

[10] Represents number of pages.

[11] Congressional Reports include: 2 semi-annual reports, an annual report and a foreign policy report.

[12] The Foreign Availability data gathering number indicates how many R&A's are in the data collection stage, prior to initiation.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Initiated	5	4	0 *
Completed	0	6	0 *
Short Supply Analysis	33	53	14 *
Russian Defense Business Directory	0	4	0 *

* FY 1994 "Workload" reductions are the result of declining resources.

DEPARTMENT OF COMMERCE
Bureau of Export Administration
Operations and Administration

Decrease for FY 1994

(Direct obligations in thousands)

	FY 1994 Base		FY 1994 Est.		Incr.(+)/Dec.(-)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Administration	235	$20,882	160	$16,666	-75	-$4,216

Workload Reduction (-75 Positions and -$4,216,000): This decrease is being proposed as part of an overall reduction to BXA's base program and also reflects the Government-wide effort to implement program efficiency savings.

Since the reductions in the COCOM Control List, the break-up of the Soviet bloc, and the dissolution of the Soviet Union, BXA's volume of export control licenses on dual use technologies has precipitously declined from 85,218 in FY 1989 to 23,997 in FY 1992. The declining workload will be offset by reduced funding levels in the Office of Export Licensing, and the Office of Technology and Policy Analysis. Also, BXA will not continue to fund a separate office for the sole purpose of conducting foreign availability assessments.

Exhibit–14

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program Change Personnel Detail

Activity: Export Administration
Subactivity: Export Administration
Program Change: Licensing Workload Reduction

Title:	Grade	Number	Annual Plan	Total Salaries
Supv Export Policy Analyst	GM–15	(2)	68,829	(137,658)
General Engineer	GM–15	(1)	68,829	(68,829)
Supv Foreign Industrial Analyst	GM–15	(1)	68,829	(68,829)
Industrial Specialist	GM–14	(1)	58,515	(58,515)
Electronics Engineer	GM–14	(1)	58,515	(58,515)
Export Policy Analyst	GM–13	(8)	49,517	(396,136)
Foreign Industrial Analyst	GM–13	(6)	49,517	(297,102)
Supv Security Specialist	GS–12	(1)	40,298	(40,298)
Export Policy Analyst	GS–12	(1)	40,298	(40,298)
Export Administration Specialist	GS–12	(3)	40,298	(120,894)
Support Services Specialist	GS–12	(1)	40,298	(40,298)
Computer Program Analyst	GS–12	(1)	40,298	(40,298)
General Engineer	GS–12	(2)	40,298	(80,596)
Export Compliance Specialist	GS–12	(4)	40,298	(161,192)
Export Administration Specialist	GS–11	(3)	34,744	(104,232)
Strategic Trade Licensing Specialist	GS–11	(9)	34,744	(312,696)
Export Administration Specialist	GS–09	(8)	27,789	(222,312)
Program Assistant	GS–08	(1)	25,159	(25,159)
Export Administration Specialist	GS–07	(4)	22,717	(90,868)
Physical Security Specialist	GS–07	(1)	22,717	(22,717)
Supv Data Transcriber	GS–07	(1)	22,717	(22,717)
Subtotal (see cont.)		(60)		(2,410,159)

Exhibit–14

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program Change Personnel Detail

Activity: Export Administration
Subactivity: Export Administration
Program Change: Licensing Workload Reduction

Title (cont.):	Grade	Number	Annual Plan	Total Salaries
Export Administration Assistant	GS–06	(3)	20,443	(61,329)
Secretary	GS–06	(3)	20,443	(61,329)
Export Administration Assistant	GS–05	(1)	18,340	(18,340)
Correspondence Assistant	GS–05	(1)	18,340	(18,340)
Secretary	GS–05	(2)	18,340	(36,680)
Office Automation Clerk	GS–04	(4)	16,393	(65,572)
Office Automation Clerk	GS–03	(1)	14,603	(14,603)
Total		(75)		(2,686,352)

Personnel Data:	Number
Full–time Equivalent Employment:	
Full–time permanent	(75)
Other than full–time permanent	0
Total	(75)
Authorized Positions:	
Full–time permanent	(75)
Other than full–time permanent	0
Total	(75)

Exhibit–15

Department of Commerce
Bureau of Export Administration
Operations and Administration
PROGRAM CHANGE DETAIL BY OBJECT CLASS
(Dollars in thousands)

Activity: Export Administration
Subactivity: Export Administration
Program Change: Licensing Workload Reduction

Object Class	FY 1994 Decrease
11 Personnel compensation	
11.1 Full–time permanent	($2,686)
11.3 Other than full–time permanent	0
11.5 Other personnel compensation	0
11.8 Special personnel services payments	0
11.9 **Total personnel compensation**	(2,686)
12.1 Civilian personnel Benefits	(551)
13 Benefits for former personnel	0
21 Travel and transportation of persons	0
22 Transportation of things	0
23.1 Rental payments to GSA	(675)
23.2 Rental payments to others	0
23.3 Communications, utilities and miscellaneous charges	(26)
24 Printing and reproduction	0
25 Other services	(278)
26 Supplies and materials	0
31 Equipment	0
32 Lands and structures	0
33 Investments and loans	0
41 Grants, subsidies and contributions	0
42 Insurance claims and indemnities	0
43 Interest and dividends	0
44 Refunds	0
99 **Total obligations**	($4,216)

Exhibit–10

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program and Performance: Direct Obligations

(Dollar amounts in thousands)

Budget Activity		1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ Decrease	
		Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement.........	Pos./B.A.	171	$15,097	155	$15,961	153	$16,026	125	$14,510	(28)	($1,516)
	FTE/Obl.	164	16,346	154	16,457	152	16,026	124	14,510	(28)	(1,516)

JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Export Enforcement

Goal: To safeguard strategically controlled commodities and technical data through effective enforcement of U.S. export control laws.

Objectives: Pursuant to the Export Administration Act of 1979, as amended (the Act), the objectives of this activity are to enforce export controls for reasons of national security, foreign policy and non-proliferation of missiles and chemical, biological and nuclear weapons; take prompt, aggressive action against illegal export practices; oppose restrictive trade practices (i.e. boycotts); and harmonize enforcement on an international basis.

Base Program

The Export Enforcement (EE) activity detects and prevents the export or other illegal disposition of controlled U.S. goods and technical data in violation of the Act and its implementing regulations.

The major objectives of BXA's enforcement program include: (1) increasing prosecutions; (2) improving the proficiency of enforcement personnel in investigative and intelligence activities through specialized training and better utilization of intelligence data; (3) targeting enforcement efforts and resources through improved intelligence research and analysis; (4) improving enforcement cooperation with other COCOM member countries and with the export control and enforcement organizations of non-COCOM countries; (5) increasing voluntary business compliance with the Act through an aggressive public awareness program that educates the public on the seriousness of violations, the available sanctions and penalties, and on ways to avoid violations; (6) preventing diversions by making pre-license checks to determine the legitimacy of proposed recipients of sensitive U.S.-origin goods and technology; (7) making post-shipment verifications to determine if U.S. goods previously exported are in the approved locations and are being used in accordance with the terms and provisions of the relevant export license; (8) improving the cost-effectiveness of government-wide export enforcement efforts through cooperation with other U.S.G. export control and enforcement agencies; and (10) reducing U.S. business participation in foreign boycotts through a comprehensive public awareness program that increases private sector understanding of the antiboycott regulations; and (11) deterring antiboycott violations by focusing efforts on more serious violations which merit major sanctions.

The activities of the Office of the Assistant Secretary for Export Enforcement, the Office of Export Enforcement (OEE), the Office of Enforcement Support (OES) and the office of Antiboycott Compliance (OAC) are mandated by the Act.

Office of the Assistant Secretary: This office reviews policy initiatives developed by its operating managers. The office approves the preparation of amendments, interpretations, clarifications and other regulatory initiatives on issues arising under the EAA and acts on behalf of the Department in the settlement of export control and antiboycott cases.

Office of Export Enforcement: The major activity of this program is the investigation of suspected export control violations with a view toward enacting both administrative and criminal penalties against violators. To achieve the best possible return on the investment of resources, investigative activities are guided and supported through analysis of intelligence research and the conduct of intelligence operations.

Export Enforcement dedicates approximately 112 trained professionals, 66 of whom are special agents, solely to export enforcement. Export Enforcement protects U.S. national security and foreign policy interests by interdicting illegal exports and prosecuting Export Administration Act (EAA) violators, without impeding legitimate international trade. Through their close relationship with BXA's licensing officers and policy staff, Commerce Export Enforcement officers gain a sophisticated awareness of the workings of the export control system, the importance of its provisions, and the potential areas of vulnerability.

When export laws are violated, Export Enforcement's special agents investigate and recommend the initiation of charges against the violator. During FY 1992 OEE assessed $3.5 million in civil penalties for export control cases. In addition, the OEE shared a joint case with OAC in which a civil penalty of $444,000 was imposed.

The largest civil penalty -- $2.4 million -- was imposed on a U.S. firm for shipments of U.S. -origin computer equipment without the required BXA authorizations. The equipment, which included computers, workstations, and other hardware, was controlled for national security and nuclear non-proliferation reasons. The firm exported these times to numerous customers in Europe, Asia, South America and the Middle East. The penalty was assessed after negotiations between the Commerce Department and the firm resulted in a consent agreement.

Investigations are conducted by Criminal Investigators from OEE's eight field offices located in major high technology exporting centers around the country (Los Angeles, California; San Jose, California; New York City, New York; Springfield, Virginia; Boston, Massachusetts; Miami, Florida; Dallas, Texas; and Chicago, Illinois). Field investigative units are supported by a Washington headquarters staff consisting of Special Agents and Intelligence Research Analysts who gather and analyze intelligence information. This staff serves as a central repository and point of contact for all intelligence information needed to identify/target suspects for enforcement investigations and identify diversion networks. The headquarters operation enhances BXA's efforts to prevent unlawful exports and diversions. BXA's enforcement personnel work closely with other federal agencies involved in export controls such as the State Department, Customs Service, Department of Justice, FBI, Defense Department and the intelligence community.

In support of the Enhanced Proliferation Control Initiative (EPCI), OEE sponsored two training sessions for all of its Special Agents and Intelligence Analysts and for personnel from twelve other Federal agencies responsible for export control enforcement and intelligence functions. The training covered the new regulations for chemical weapons precursors, biological agents, missile technology and nuclear weapons technology, as well as engineering and intelligence information. These meetings are useful in providing a common framework for U.S.G. non-proliferation enforcement programs.

OEE initiated a new Strategic and Non-Proliferation Enforcement Program, which sends teams of Special Agents to the Middle East and Northern Africa to conduct pre-license checks and post-shipment verifications and train embassy personnel about EPCI.

Responding to changes in Eastern Europe and U.S. COCOM agreements, OEE developed a system of safeguards for the enhanced levels of controlled goods approved by our allies for export to the emerging democracies of Eastern Europe. OEE Special Agents have made regular trips to Poland, Czechoslovakia and Hungary to conduct pre-license and post-shipment verifications. These verifications provide an effective deterrent against the diversion of controlled goods to non-approved end-users and unauthorized uses.

In FY 1992, OEE sought to impose criminal penalties in 40 new cases investigated either by itself or jointly with other law enforcement agencies. OEE referred these cases to U.S. Attorneys for criminal prosecution.

OEE continues to enforce the U.N. Arms Embargo against South Africa in FY 1992. During FY 1991, OEE devoted significant attention and resources to administering the system of end-use verification prompted by the Comprehensive Anti-Apartheid Act of 1986.

Enforcement participated in numerous seminars and trade shows across the country to educate U.S. businesses to the warning signs of illegal transactions. The office also continued its contacts with individual private sector firms through Project Outreach to provide firms with specific guidance and to help OEE better understand private industry's needs. In FY 1991 and 1992, OEE focused on firms in the chemical, biological, nuclear and missile technology sectors. OEE also initiated the Business Executives Enforcement Team (BEET) in FY 1992 to increase the awareness of senior corporate officials of the importance of export controls.

Office of Enforcement Support: The Office of Enforcement Support (OES) evaluates export transactions based on Census data to identify possible violations of the EAA. OES also analyzes intelligence information and coordinates the performance of pre-license checks and post-shipment verification checks. The former checks determine the reliability of foreign consignees to receive sensitive U.S. technology. The later checks ensure compliance with the terms and conditions of the U.S. export license. OES attempts to screen all export license applications to detect potential illegal exports. These preventative enforcement measures have been successful and result in decisions not to approve license applications for the export of strategic technology when the bon fides of the parties is questionable.

To compensate for loss of investigative audit trails resulting from multilateral decontrol initiative, OES initiated a program involving the review of shipper's export declarations (SEDs) received from the Census Bureau. This program enables OES to monitor exports against new general license authorities and detect violations of these licenses. Additionally, this computerized system allows OES to survey all U.S. exports and isolate those involving Commerce controlled items, particularly sensitive items controlled for proliferation concerns.

In response to increased coordination efforts regarding security clearance programs throughout the government, OES continued to have a heavy workload. During the Fiscal Year 1991 OES performed 3,105 name clearance file and record checks for organizations within the Department of Commerce and other federal agencies; during the first half of Fiscal Year 1992 alone the number doubled to 3,603.

Office of Antiboycott Compliance: The mission of the Antiboycott Compliance program is to ensure compliance with the antiboycott provisions of the Export Administration Act. To this end, OAC investigates violations (such as furnishing boycott-related information, refusals to deal with blacklisted businesses and religious discrimination) and pursues the appropriate administrative or criminal sanctions, including civil penalties, the imposition of periods of export denial, as well as referral to the Department of Justice for criminal prosecution. Cases warranting administrative action are either settled by the OAC or referred to the Department's Office of Chief Counsel for Export Enforcement for the initiation of administrative proceedings. OAC also compiles and publishes statistics about unsanctioned foreign boycotts and carries out extensive public education and counselling in antiboycott matters to encourage compliance with the law.

The office substantially increased its enforcement efforts during fiscal year FY 1992. Within the limits provided by the statute, it generally doubled the penalty it seeks to impose for any particular violation and nearly doubled the average penalty level imposed compared to previous years. In addition, some compliance officer positions that had been vacant for several years were filled. Compliance officers were trained in the basic elements of criminal law and criminal investigations. Finally, OAC increased its professional interaction with BXA's Office of Export Enforcement (OEE). OAC provided training on the antiboycott regulations at OEE's regular training sessions. In addition, OAC compliance officers gave specialized instruction at OEE field offices during the year. These efforts showed results. OAC investigations resulted in more than $2 million in civil penalties during fiscal year 1992, the second highest total of any year in the history of the program. This total includes a $440,000 settlement in a joint case with OEE.

The largest single category of civil penalties imposed during the year was to settle allegations of furnishing prohibited information about business relationships. The second largest category was agreements to refuse to do business with boycotted countries or blacklisted firms.

A total of 118 enforcement actions were completed in FY 1992. Of the total, 30 resulted in consent settlements. The office closed 32 investigations with warning letters for reporting violations. Cases were closed in 52 additional investigations, because violations were not found. Four non-public notice letters were issued for minor reporting violations.

All of the OAC investigations that resulted in the imposition of a civil penalty were resolved through settlement. The consent agreements used as the vehicle for these settlements continue to be an important enforcement tool for the office. These agreements provide for the payment of civil penalties and often for the establishment of compliance programs.

Civil penalties imposed in the 30 consent settlements, including the joint case with OEE, totalled $2,109,200 in FY 1992. Two of these settlements were with the United States affiliates of foreign banks for implementation of letters of credit containing prohibited boycott terms. These banks include: Bank of Baroda, the New York branch of the Bank of Baroda in India; and Habib American Bank, a New York affiliate of Habib Bank Group of Switzerland. The total of the civil penalties imposed on these banks was $115,900.

WORKLOAD MEASURES

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Export Enforcement/Enforcement Support			
Investigations Closed (administrative actions completed)	452	200	160 *
Cases Referred to Justice Department for Criminal Action	41	27	20 *
Cases Referred to Office of the General Counsel for Administrative Action	90	30	22 *
Administrative Fines Imposed (in thousands)	$3,700	$900	$800
Denial Orders Issued (temporary, final and amendments)	24	21	18 *
Warning Letters Issued	323	250	200 *
Prelicense Checks Initiated	700	650	450 *
Post Shipment Checks:			
Eastern Europe	97	40	15 *
Middle East[1]	47	50	30 *

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[1] This is a new indicator that has never been measured before.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Other	254	140	125 *
License Application Rejections and RWA's due to OEE[2/3]	467	375	250 *
Export Value of Rejected & RWA License Applications[3]	$3,600,000	$400,000	$200,000 *
Antiboycott Compliance:			
Case Development1/[4]	150	200	200
Case Investigation and Review[5]	116	125	125
Case Disposition and Evaluation[6]	156	170	170
Pre-charging letter resolution activities[7]	62	50	50
Administrative Adjudication Support[8]	6	6	6

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[2] Includes rejections due to adverse information discovered during the pre-license check as well as rejections as a result of information available from other sources.

[3] RWA's are licenses which have been returned without action.

[4] Number of firms researched during the fiscal year.

[5] Number of firms docketed during the fiscal year for formal investigation.

[6] Formal investigations closed or moved to the pre-charging letter resolution stage during the fiscal year plus those docketed in prior periods which are still under review at the end of the fiscal year.

[7] Cases for which pre-charging letters were issued during or prior to the fiscal year and for which final orders were signed during the fiscal year or which remain unresolved at the end of the fiscal year.

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Administrative Adjudication Support[8]	6	6	6
Boycott Reports Analyzed[9]	14,510	15,000	15,000
Outreach Counseling Activities[10]	1,785	1,700	1,700

- FY 1994 "Workload" reductions are the result of declining resources.

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[8] Number of cases referred to OGC which have not been finally adjudicated or settled.

[9] This number is greater than the number of boycott reports reviewed as published in the BXA Annual Report because this number includes reports filed by the public which the regulations do not require them to file. However, until the report is analyzed we do not know that it is not a required report.

[10] Number of Counselling sessions for individuals or firms (includes seminars, advice discussed by telephone and counselling sessions in the office).

DEPARTMENT OF COMMERCE
Bureau of Export Administration
Operations and Administration

Decrease for FY 1994
(Direct obligations in thousands)

	FY 1994 Base		FY 1994 Est.		Incr.(+)/Dec.(-)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Export Enforcement	153	$16,026	125	$14,510	-28	-$1,516

Workload Reduction (-28 Positions and -$1,516,000): This decrease is being proposed as part of an overall reduction to BXA's base program and also reflects the Government-wide effort to implement program efficiency savings.

Since the break-up of the Soviet bloc and the dissolution of the Soviet Union, BXA's workload associated with export control licenses on dual use technologies has precipitously declined. The declining workload will be offset by reduced funding levels in BXA's Enforcement Offices including the Office of the Assistant Secretary, the Office of Enforcement Support and the Office of Export Enforcement.

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program Change Personnel Detail

Activity: Export Enforcement
Subactivity: Export Enforcement
Program Change: Workload Reduction

Title:	Grade	Number	Annual Plan	Total Salaries
Supervisory Crimimal Investigator	GM–15	(1)	68,829	($68,829)
Supervisory Crimimal Investigator	GM–13	(1)	49,517	(49,517)
Crimimal Investigator	GS–13	(6)	49,517	(297,102)
Supervisory Computer Specialist	GM–13	(1)	49,517	(49,517)
Crimimal Investigator	GS–12	(4)	40,298	(161,192)
Crimimal Investigator	GS–11	(4)	34,744	(138,976)
Program and Policy Analyst	GS–11	(2)	34,744	(69,488)
Export Compliance Specialist	GS–11	(2)	34,744	(69,488)
Secretary	GS–09	(1)	27,789	(27,789)
Secretary	GS–07	(1)	22,717	(22,717)
Export Compliance Assistant	GS–07	(1)	22,717	(22,717)
Export Compliance Assistant	GS–06	(2)	20,443	(40,886)
Secretary	GS–04	(2)	16,393	(32,786)
Total		(28)		($1,051,004)

Personnel Data:	Number
Full–time Equivalent Employment:	
Full–time permanent	(28)
Other than full–time permanent	0
Total	(28)
Authorized Positions:	
Full–time permanent	(28)
Other than full–time permanent	0
Total	(28)

Department of Commerce
Bureau of Export Administration
Operations and Administration

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Activity: Export Enforcement
Subactivity: Export Enforcement
Program Change: Workload Reduction

Object Class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full-time permanent	($1,051)
11.3	Other than full-time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	Total personnel compensation	(1,051)
12.1	Civilian personnel Benefits	(215)
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	(160)
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	(61)
24	Printing and reproduction	0
25	Other services	(29)
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	Total obligations	($1,516)

Exhibit–10

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program and Performance: Direct Obligations

(Dollar amounts in thousands)

Budget Activity	1992 Actual		1993 Currently Available		1994 Base		1994 Estimate		Increase/ Decrease	
	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount	Personnel	Amount
Industrial Resource Administration... Pos./B.A.	29	$2,518	29	$2,629	28	$2,642	19	$2,089	(9)	($553)
FTE/Obl.	29	2,726	28	2,719	27	2,642	18	2,089	(9)	(553)

JUSTIFICATION OF PROGRAM AND PERFORMANCE

Activity: Industrial Resource Administration

Goals and Objectives

Goal: The goal of this activity is to develop, promote and implement policies which ensure a strong and technologically superior defense industrial base.

Objectives: The objectives of BXA's industrial base programs are to: (1) investigate the impact of imports on the national security (Section 232); (2) assess the financial, technological and production capabilities of critical defense related industries (Critical Technologies/Industrial Capabilities); (3) monitor and make policy recommendations regarding the export of commodities which may be in short supply (Short Supply); (4) ensure that defense critical projects have access to scarce industrial resources (Priorities and Allocations); (5) develop plans to operate and staff government's industrial resource responsibilities during a national emergency (Emergency Preparedness/National Defense Executive Reserve); (6) analyze the impact of military offset agreements on U.S. industrial competitiveness and consult with allied countries to limit the adverse impacts of offsets (Military Offsets); (7) ensure that the National Defense Stockpile contains the appropriate mix of strategic and critical materials (Stockpile); (8) evaluate the impact of foreign direct investment on U.S. national security (Foreign Investment); (9) promote industrial preparedness planning with our allies (NATO); (10) assess the impact of defense memoranda on understanding on U.S. industry (MOU); and (11) review and make recommendations regarding the affect of U.S. Government laws and policies on defense exports (Defense Trade Working Group).

Base Program

Industrial Resource Administration (IRA) is the unit within BXA responsible for developing and carrying out policy initiatives to ensure that U.S. defense-related industries are able to meet current and projected defense requirements. IRA works to ensure that economic, trade and technology impacts on the defense industrial base are given due consideration alongside foreign policy and national security concerns.

IRA further meets BXA's national security responsibilities by assessing and identifying deficiencies to industrial production which would be critical in the event of a national security crisis. IRA recommends trade and production capacity actions to alleviate identified shortfalls. Specific programs to support national security and industrial competitiveness includes:

- Section 232 -- Under authority of Section 232 of the Trade Expansion Act of 1962, IRA investigates the impact of imports on national security (i.e. the impact on the U.S. defense base current and projected ability to meet defense needs). The President has authority to "adjust imports" to remove identified national security threats based upon the Secretary's findings and recommendations. The 1988 Trade Act amended the law to require BXA to complete investigations within 270 days (replacing an earlier one-year deadline) and established a new 90-day deadline on Presidential decision-making. In addition, IRA takes the lead on activities related to implementation of the Section 232 machine tool voluntary restraint agreement (VRAs) with Japan and Taiwan. IRA coordinates operation of the "Domestic Action Plan" of Commerce and Defense programs in support of the industry's revitalization; analyzes company requests for special issue licenses and other exceptions to the agreement, and represents BXA at international consultations. IRA also prepares policy recommendations on related issues including: (1) the Japanese government's ongoing proposal for the ten-year $1 billion "Intelligent Manufacturing System" - a joint manufacturing research initiative between the U.S., the European Community and Japan; (2) possible expansion of import limits to other countries or products; and (3) appropriate U.S. response to VRA violations.

- Critical Technologies and Industrial Capabilities -- Under the authority of Section 825 of the FY 1991 National Defense Authorization Act, IRA conducts annual assessments of industries that support the Department of Defenses (DOD) list of the twenty-one technologies deemed most critical to future weapons systems. The purpose of these assessments is to evaluate the financial and production capabilities of key defense-related domestic industries to support development and advancement of the DOD twenty-one critical technologies.

  Under the related Industrial Capabilities Program, and in accordance with its responsibilities under the Defense Production Act and related Executive Order 12656, IRA assesses the capabilities of defense-related industries to meet current and future national security requirements for specific products and evaluates their overall competitiveness. These studies assess the various factors that affect the capacity of defense related industries including foreign competition and dependencies, protectionism abroad, domestic industry practices, R&D spending, and other conditions at a micro-economic level.

- Short Supply -- Under the authority of the Export Administration Act, as amended, IRA monitors the export of commodities which may be in short supply domestically. IRA then makes policy recommendations on the requests for short supply export controls (e.g. wood exports). In addition, IRA provides the private sector and BXA's export licensing office with policy guidance concerning requests to export domestically-produced crude oil.

- Priorities and Allocations -- Under Title I of the Defense Production Act, the Defense Priorities and Allocations System regulation has been established to ensure that the military can obtain the industrial resources needed for national defense, both for current defense programs and in time of national emergency. The program assures that industry assigns appropriate priority to the production of military hardware and other defense items, and that scarce resources are allocated first to national security-critical projects. This priorities and allocations system has enabled defense programs to limit cost overruns and remain on schedule.

- Emergency Preparedness/National Defense Executive Reserve -- IRA spearheads Commerce's effort to develop, evaluate, and refine programs to meet Government's enhanced industrial resource responsibilities during a national emergency. IRA prepares readiness plans for the emergency control of industrial production and distribution, and thus ensures the continuity of government operations during a national emergency. IRA recruits and trains the National Defense Executive Reserve, a skilled cadre of industry executives prepared to serve as senior managers of Government industrial resource efforts. IRA participates in inter-agency readiness exercises to train senior policy officials and evaluates the nation's ability to respond appropriately during a national emergency. IRA also represents Commerce during interagency efforts to revise resource base mobilization policy in light of continuing changes in the economic and military dimensions of national security.

- Military Offsets -- Under Section 309 of the Defense Production Act, the President must report annually to Congress on the effects of military offset agreements on U.S. industrial competitiveness, defense preparedness, employment and trade. IRA is responsible for assessing the impact of offsets (co-production, counter-trade, technology transfer) on U.S. industrial competitiveness at the prime and subcontractor levels.

  IRA was also a major participant in developing an Administration offset policy as required by the 1989 Defense Authorization Act. The President announced this policy in April 1990. IRA will continue as a major participant in implementing the President's policy which calls for discussions with foreign governments toward reducing the adverse impacts of offsets and requires periodic reports on progress in this regard. IRA's expertise on offsets is also used to support offset issues that arise in the course of its reviews of defense MOU's under the Defense Authorization Act, such as occurred with regard to the Korean Fighter Program.

- National Defense Stockpile -- IRA provides Commerce input into activities related to policy development and ongoing operation of the National Defense Stockpile, a holding of strategic and critical materials unavailable domestically in sufficient quantities. IRA: (1) conducts analyses of mobilization planning factors used for Stockpile goal setting and other national security planning purposes; (2) determines lead times by industry sectors to increase production capacity during a national emergency; and (3) chairs the inter-agency Market Impact Committee which reviews the impact on domestic and foreign markets of planned Stockpile acquisitions and disposal.

- Foreign Investment Assessments -- Section 721 of the Defense Production Act provides the President with authority to undertake investigations of mergers, acquisitions, and takeovers to determine their impact on the national security. As part of an interagency group chaired by Treasury, IRA conducts detailed analyses of proposed foreign investment transactions including the history and backgrounds of the acquiring and U.S. firms, the technologies involved, the existence of military contracts, export control regulations, U.S. and foreign markets for the affected items, and other relevant factors within 30 days of notification of a takeover. Should any concerns be raised within the 30-day period, the interagency group may initiate a 45-day investigation during which IRA conducts even more detailed reviews. Ultimately, a recommendation will be made by the group to the President who may take action to limit foreign investment if the national security is threatened.

- North Atlantic Treaty Organization -- IRA is responsible for the Department's role in the coordination of industrial preparedness and economic planning between the U.S. and its NATO allies. IRA represents the United States on the NATO Industrial Planning Committee (IPC), a body which supports the identification of critical industry capabilities and coordination of industrial production during periods of crisis or war. As the NATO Alliance continues to evolve, the IPC will be involved in economic security issues including, but not limited to: (1) EC 1992 and NATO; (2) U.S. - European cooperation in industrial technology modernization; and (3) impact of new technologies on the NATO R&D base.

- Defense Memoranda of Understanding -- IRA is responsible for the Department's statutory role in the review of Defense Memoranda of Understanding (MOU). The Commerce review process is directed towards the identification of potential adverse impacts to U.S. industry which may result from U.S.-Allied Defense Cooperation Agreements. IRA has participated in the review of over 200 MOUs including extensive work on the FSX and Korean Fighter Program agreements. In addition to program review work, IRA coordinates Department participation in MOU negotiations, technical steering committee meetings, and interagency reviews of selected MOUs. IRA is also responsible for developing Department policy positions in consultation with other Commerce elements, on bilateral arms sales, technology flowback, co-production and co-development programs.

- Defense Trade Working Group (DTWG) -- IRA is responsible for the Department's participation in the interagency DTWG. The DTWG is made up of representatives of the Department of Commerce, State Department, Department of Defense and the U.S. Trade Representative. The DTWG develops trade recommendations for U.S. industry within U.S. Government export laws and policies. The DTWG consists of a senior Plenary Oversight Group, Defense Market Opportunities Subgroup (IRA Chair), Europe Subgroup, Technology Transfer/Third Country Re-Export Subgroup.

WORKLOAD MEASURES

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Defense Production Act Actions:			
Priorities and Rating Authorizations/Actions	2,000	1,850	1,200
Regulatory Audits, Compliance and Training Actions	90	75	25 *
U.S. National Security Emergency Preparedness Plans	6	6	2 *
Industrial Preparedness Mobilization Exercises (Domestic & International):			
NDER Training	8	8	0 *
Interagency & NATO Readiness Coordination Exercise	20	15	10 *
International (NATO) Production Base Studies	25	20	10 *
Offsets in Defense Trade:			
MOU-related Offset Assessments	40	40	40
Offset Impact Studies	8	8	8
Offset Country Policy Reviews	15	12	6 *
Foreign Investment Investigations:			
30-day Reviews	200	200	200
45-day Investigations	4	3	3
Memoranda of Understanding:			
MOU Reviews	90	90	60 *
Technology Transfer Assessments	40	40	40

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Interagency Defense Trade Working Group	110	110	110
Public and Congressional Information Activities:			
Mandated Congressional & Presidential Reports	20	20	15
Congressional Inquiries	100	100	70
Congressional Hearings and Briefings	25	25	25
Other Studies or Actions:			
Industrial Capabilities Studies	30	30	10 *
Critical Technology Assessments	10	15	10 *
Stockpile Market Impact Analyses	70	50	30 *
Section 232, Investigations	1	1	1
Industry Outreach Initiatives	35	35	10 *

* FY 1994 "Workload" reductions are the result of declining resources.

DEPARTMENT OF COMMERCE
Bureau of Export Administration
Operations and Administration

Decrease for FY 1994

(Direct obligations in thousands)

	FY 1994 Base		FY 1994 Est.		Incr.(+)/Dec.(-)	
	Personnel	Amount	Personnel	Amount	Personnel	Amount
Industrial Resources Administration..............	28	$2,642	19	$2,089	-9	-$553

Workload Reduction (-9 Positions and -$553,000): This decrease is being proposed as part of an overall reduction to BXA's base program and also reflects the Government-wide effort to implement program efficiency savings.

BXA will eliminate: (1) its support for the analysis of critical defense industries; (2) its support for defense industrial base impact assessments of foreign acquisition of U.S. companies under the Committee on Foreign Investment in the U.S. (CFIUS); and (3) its role in providing technical analysis supporting defense conversion issues.

Exhibit–14

Department of Commerce
Bureau of Export Administration
Operations and Administration
Program Change Personnel Detail

Activity: Industrial Resource Administration
Subactivity: Industrial Resource Administration
Program Change: Workload Reduction

Title:	Grade	Number	Annual Plan	Total Salaries
Trade & Industry Analyst	GM–14	(1)	58,515	($58,515)
Trade & Industry Analyst	GM–13	(1)	49,517	(49,517)
Trade & Industry Analyst	GS–12	(3)	40,298	(120,894)
Management Analyst	GS–12	(1)	40,298	(40,298)
Trade & Industry Analyst	GS–11	(2)	34,744	(69,488)
Secretary	GS–07	(1)	22,717	(22,717)
Total		(9)		(361,429)

Personnel Data:	Number
Full–time Equivalent Employment:	
Full–time permanent	(9)
Other than full–time permanent	0
Total	(9)
Authorized Positions:	
Full–time permanent	(9)
Other than full–time permanent	0
Total	(9)

Exhibit–15

Department of Commerce
Bureau of Export Administration
Operations and Administration

PROGRAM CHANGE DETAIL BY OBJECT CLASS

(Dollars in thousands)

Activity: Industrial Resource Administration
Subactivity: Industrial Resource Administration
Program Change: Workload Reduction

Object Class		FY 1994 Decrease
11	Personnel compensation	
11.1	Full–time permanent	($362)
11.3	Other than full–time permanent	0
11.5	Other personnel compensation	0
11.8	Special personnel services payments	0
11.9	**Total personnel compensation**	(362)
12.1	Civilian personnel Benefits	(74)
13	Benefits for former personnel	0
21	Travel and transportation of persons	0
22	Transportation of things	0
23.1	Rental payments to GSA	(81)
23.2	Rental payments to others	0
23.3	Communications, utilities and miscellaneous charges	(3)
24	Printing and reproduction	0
25	Other services	(33)
26	Supplies and materials	0
31	Equipment	0
32	Lands and structures	0
33	Investments and loans	0
41	Grants, subsidies and contributions	0
42	Insurance claims and indemnities	0
43	Interest and dividends	0
44	Refunds	0
99	**Total obligations**	($553)

Exhibit–16

Department of Commerce
Bureau of Export Administration
Operations and Administration
Summary of Requirements by Object Class

(Dollar amounts in thousands)

Object Class	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease
Personnel compensation:					
11.1 Full–time permanent	$18,504	$18,968	$19,167	$14,967	($4,200)
11.3 Other than full–time permanent	1,351	1,100	200	200	0
11.5 Other personnel compensation	1,315	1,311	1,000	1,000	0
11.8 Special personnel services payments	0	0	0	0	0
11.9 Total personnel compensation	21,170	21,379	20,367	16,167	(4,200)
12.1 Civilian personnel benefits	4,199	4,355	4,200	3,339	(861)
13.0 Benefits for former personnel	0	0	0	0	0
21.0 Travel and transportation of persons	1,028	954	1,015	1,015	0
22.0 Transportation of things	40	6	6	6	0
23.1 Rental payments to GSA	3,965	4,424	4,452	3,500	(952)
23.3 Communications, utilities and miscellaneous charges	627	578	1,036	945	(91)
24.0 Printing and reproduction	446	259	262	262	0
25.1 Consulting services	26	15	10	10	0
25.2 Other services	10,771	10,156	9,582	9,227	(355)
26.0 Supplies and materials	282	216	216	216	0
31.0 Equipment	159	60	60	60	0
32.0 Lands and structures	0	0	0	0	0
33.0 Investments and loans	0	0	0	0	0
41.0 Grants, subsidies and contributions	0	0	0	0	0
42.0 Insurance claims and indemnities	0	0	0	0	0
43.0 Interest and dividends	0	0	0	0	0
44.0 Refunds	0	0	0	0	0
99.0 Total Obligations	42,713	42,402	41,206	34,747	(6,459)
Recovery of prior year obligation	(1,781)	0	0	0	0
Unobligated balance, start–of–year	(2,869)	0	0	0	0
Unobligated balance, end–of–year	1,387	(1,387)	0	0	0
99.0 Total Budget Authority	$39,450	$41,015	$41,206	$34,747	($6,459)

Exhibit-16

Department of Commerce
Bureau of Export Administration
Operations and Administration
Summary of Requirements by Object Class
(Dollar amounts in thousands)

	1992 Actual	1993 Currently Available	1994 Base	1994 Estimate	Increase/ Decrease
Personnel Data					
Full-Time equivalent Employment:					
Full-time permanent	423	410	403	302	(101)
Other than full-time permanent	20	20	20	5	(15)
Total	443	430	423	307	(116)
Authorized Positions:					
Full-time permanent	468	422	415	314	(101)
Other than full-time permanent	20	20	20	5	(15)
Total	488	442	435	319	(116)

Exhibit – 17

Department of Commerce
Bureau of Export Administration
Operations and Administration
Detailed Requirements by Object Class

(Dollar amounts in thousands)

Object Class	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ Decrease
11 Personnel compensation:				
11.1 Full–time permanent:				
Executive level	$0	$123	$123	$0
Senior executive service	0	1,285	1,285	0
General schedule	199	17,586	13,386	(4,200)
Foreign service staff	0	173	173	0
Subtotal	199	19,167	14,967	(4,200)
11.3 Other than full–time permanent:				
General schedule	(4)	200	200	0
Wage board	0	0	0	0
Experts & consultants	0	0	0	0
Hourly	0	0	0	0
Subtotal	(4)	200	200	0
11.5 Other personnel compensation:				
Overtime	(12)	799	799	0
SES performance awards	(2)	126	126	0
Cash awards	(1)	75	75	0
Merit pay awards	0	0	0	0
Other	(3)	0	0	0
Subtotal	(18)	1,000	1,000	0
11.8 Special personnel services payments:				
Foreign service officers (State)	0	0	0	0
Other	0	0	0	0
Subtotal	0	0	0	0
11.9 Total personnel compensation:	177	20,367	16,167	(4,200)

	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ Decrease
12.1 Civilian personnel benefits:				
Civil service retirement	(8)	843	669	(174)
Federal employees' retirement	17	1,205	958	(247)
Thrift savings plan	2	285	227	(58)
Federal insurance contribution act	6	567	451	(116)
Health insurance	(37)	1,195	950	(245)
Life insurance	0	40	32	(8)
Employees' compensation fund	0	0	0	0
Other	0	65	52	(13)
Subtotal	**(20)**	**4,200**	**3,339**	**(861)**
13.0 Benefits for former personnel:				
Severance pay	0	0	0	0
Unemployment compensation	0	0	0	0
Other	0	0	0	0
Subtotal	**0**	**0**	**0**	**0**
21.0 Travel and transportation of persons:				
Common carrier	0	450	450	0
Mileage	0	10	10	0
Per diem/actual	0	300	300	0
Commercial car rental	61	240	240	0
Other	0	15	15	0
[Overseas estimates]	0	[5]	[5]	[0]
Subtotal	**61**	**1,015**	**1,015**	**0**
22.0 Transportation of things	0	6	6	0
[Overseas estimates]	0	[5]	[0]	[0]
23.1 Rental payments to GSA	**28**	**4,452**	**3,500**	**(952)**
23.3 Communications, utilities and miscellaneous charges:				
Other equipment rental	0	50	26	(24)
Federal telecommunications system	11	200	200	0
Other telecommunications services	0	116	94	(22)
Commercial telephone services	0	550	526	(24)
Postal Service by USPS	0	120	99	(21)
[Overseas estimates]	0	[30]	[30]	0
Subtotal	**11**	**1,036**	**945**	**(91)**

	1994 Adjustment to Base	1994 Base	1994 Estimate	Increase/ Decrease
24.0 Printing and reproduction:				
Publications	3	235	235	0
Public use forms	0	6	6	0
Envelopes	0	2	2	0
Other	0	19	19	0
[Overseas estimates]	0	[2]	[2]	0
Subtotal	3	262	262	0
25.1 Consulting services	(5)	10	10	0
25.0 Other Services:				
Training:				
University	0	10	10	0
Office of personnel management	0	15	15	0
Non–Federal	0	25	25	0
Maintenance of equipment	0	125	125	0
ADP related costs	0	300	300	0
Telecommunications services	0	200	200	0
Payments to O/S, WCF	(64)	6,388	6,033	(355)
Other Federal Agencies	0	620	620	0
Consulting services	0	10	10	0
Other	0	1,889	1,889	0
[Overseas estimates]	0	[100]	[100]	[0]
Subtotal	(64)	9,582	9,227	(355)
26.0 Supplies and materials:				
Office supplies	0	136	136	0
ADP supplies	0	80	80	0
[Overseas estimates]	0	[4]	[4]	[0]
Subtotal	0	216	216	0
31.0 Equipment:				
Office machines and equipment	0	10	10	0
ADP hardware	0	45	45	0
ADP software	0	5	5	0
[Overseas estimates]	0	[2]	[2]	[0]
Subtotal	0	60	60	0

		1994 Adjustment to Bae	1994 Base	1994 Estimate	Increase/ Decrease
32	Lands and structures	0	0	0	0
33	Investments and loans	0	0	0	0
41	Grants, subsidies and contributions	0	0	0	0
42	Insurance claims and indemnities	0	0	0	0
43	Interest and dividends	0	0	0	0
44	Refunds	0	0	0	0
99	**Total Obligations**	191	41,206	34,747	(6,459)
	Less prior year recoveries	0	0	0	0
99	**Total Budget Authority**	$191	$41,206	$34,747	($6,459)

Justification of Proposed Language Changes

Exhibit-32

1. Before the words "for official representation expenses abroad; "delete the amount $25,000" and insert the amount "$22,000.

Appropriation Language and Code Citations:

Exhibit-33

1. "For necessary expenses for export administration and national security activities of the Department of Commerce,"

15 U.S.C. 1501 et seq.
19 U.S.C. 1862
42 U.S.C. 300j
50 U.S.C. 98-98h
50 U.S.C. 401 et seq.
50 U.S.C. app. 2061 et seq.
50 U.S.C. app. 2401 et seq.
Act of December 22, 1987, P. L. 100-202, Section 101(a), Title I, Section 108

15 U.S.C. 1501 et seq. provides the basic authority for performance of those functions and activities of BXA which promote an improved trade posture for United States Industry.

19 U.S.C. 1862 requires the investigation upon request, of the effects on national security of imports of a particular article, and a report of the results of the investigations to the President with a recommendation for action or inaction.

42 U.S.C. 300j authorizes the issuance of orders requiring the delivery of chemicals or substances necessary for treatment of water.

50 U.S.C. 98-98h authorizes the acquisition and retention of stocks of certain strategic and critical materials.

50 U.S.C. 401 et seq. provides for the development of national emergency plans and preparedness programs.

50 U.S.C. app. 2061 et seq. authorizes BXA to set priorities for performance on defense and energy-related contracts and to allocate materials and supplies which are essential for national defense purposes and for maximization of domestic energy supplies.

50 U.S.C. app. 2401 et seq. provides authority for the regulation of exports for reasons of national security, foreign policy, or short supply problems. It also authorizes implementation of restrictions on compliance with foreign boycotts and other restrictive trade practices.

The Act of December 22, 1987, Public Law 100-202, Section 101(a), Title I, Section 108, authorizes the Secretary of Commerce to establish a Buying Power Maintenance account for the Bureau of Export Administration. This fund is to be used to maintain overseas program activity at the appropriated program levels.

2. "including costs associated with the performance of export administration field activities both domestically and abroad;"

22 U.S.C. 2651 et seq.
22 U.S.C. 3901 et seq.

22 U.S.C. 2651 et seq. establishes the Department of State and provides authority for a number of overseas operations. This appropriation language authorizes the utilization of certain of these authorities in connection with the operation of a separate Export Administration field organization.

22 U.S.C. 3901 et seq., the Foreign Service Act of 1980, consolidated and revised the laws relating to the administration and operations of the Foreign Service of the United States. This appropriation language authorizes the Secretary to establish and administer a separate Export Administration field organization and utilize, therefore, the authorities of the Foreign Service Act.

3. "full medical coverage for dependent members of immediate families of employees stationed overseas;"

No Specific Authority

This language permits Export Administration to extend to certain of its overseas employees the same benefits afforded domestically employed Federal employees and employees of ITA's Foreign Commercial Service in equivalent positions overseas.

4. "employment of Americans and aliens by contract for services abroad;"

No Specific Authority

44 CG 761, OPM guidance, and House Report 89-188 have concluded that Federal agencies must have specific authority to employ personnel by contract. In order to handle the full range of Export Administration services abroad, EA may require the use of personnel who speak the language of the host country; are familiar with local practices and procedures; or who only need to be employed for a short period of time. In some cases, however, it is more advantageous to employ U.S. citizens in the host country (generally members of an employee's family) because they have greater familiarity with American methods and, therefore, require less effort to train.

5. "rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement;"

No Specific Authority

40 U.S.C. 278a prohibits expenditures for building rental if the rent is more than 15 percent over the fair market value of the premises and prohibits expenses for alterations, improvements, and repairs of rented premises which exceed 25 percent of the rent.

Rental terms are established overseas and may or may not exceed the percentage provisions of 40 U.S.C. 278a. Without this waiver, EA may be unduly hampered in its efforts to meet necessary space needs overseas. To limit expenditures for alterations and improvements would seriously restrict the quality, effectiveness, and security of the premises occupied by Export Administration.

6. "payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries;"

No Specific Authority

28 U.S.C. 2672 provides for settlement of tort claims for money damages of $2,500 or less against the United States by the head of each federal agency for loss of property or personal injury or death caused by a negligent or wrongful act of any employee of the Government while acting within the scope of his employment in circumstances where the United States, if a private person, would be liable under local law. However, 28 U.S.C. 2680 (k) exempts the settlement of tort claims which arise abroad from the provisions of 28 U.S.C. 2672. The language requested would exempt EA from 28 U.S.C. 2680 and would cover the settlement of tort claims against the United States which arise in connection with EA activities abroad.

7. "not to exceed $25,000 for official representation expenses abroad;"

No Specific Authority

5 U.S.C. 5536 prohibits additional pay, extra allowances, or compensation unless the appropriation explicitly states that it is for such additional pay, extra allowances, or compensation.

8. "awards of compensation to informers under the Export Administration Act of 1979, and authorized by 22 U.S.C. 401(b);"

50 U.S.C. app. 2411
22 U.S.C. 401(b)

50 U.S.C. app. 2411 provides EA with authority to make investigations and obtain such information as may be necessary to enforce the provisions of the Export Administration Act of 1979.

22 U.S.C. 401 (b) provides for awards of compensation to informers concerning illegal exports of war materials or other articles in violation of the law, when funds are specifically provided therefor.

9. "purchase of passenger motor vehicles for official use abroad and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law;"

No Specific Authority

31 U.S.C. 1343(a) prohibits the purchase of passenger motor vehicles unless specifically authorized by the appropriation concerned or other law with the exception of those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments.

10. "...to remain available until expended;"

No Specific Authority

31 U.S.C. 1301 provides that appropriations are for the service of the current year "unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the Appropriation Act in which it is contained makes provision."

11. "provided that the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities."

22 U.S.C. 2455(f)
22 U.S.C. 2458(c)

22 U.S.C. 2455(f) provides authority to accept contributions of funds, property, and services from foreign government, international organizations, and private individuals, firms, associations, agencies, and other groups in carrying out activities pursuant to the Mutual Educational and Cultural Exchange Act of 1961.

22 U.S.C. 2458(c) provides authorization for all necessary expenditures involved in the selection, purchase, rental, construction, or other acquisition of exhibitions and the necessary supplies therefor.

This phrase provides for extension of this authority and permits BXA to collect funds for use in conducting export administration activities.

DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
Operations and Administration

Exhibit-34

CONSULTING AND RELATED SERVICES
(Dollar amounts in thousands)

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Consulting Services	$26	$15	$10
Management and Professional Services	0	0	0
Special Studies and Analyses	0	0	0
Management and Support Services for Research and Development	0	0	0
Total	$26	$15	$10

Consulting Services: BXA will use consulting services to provide continuous Total Quality Management (TQM) training to its employees ($26,000 in FY 1992, $15,000 in FY 1993 and $10,000 in FY 1994).

DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
Operations and Administration

Exhibit-35

PERIODICALS, PAMPHLETS, AND AUDIOVISUAL PRODUCTS

(Dollar amounts in thousands)

	FY 1991 Actual	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Periodicals and Publications	$386	$335	$194	$196
Audiovisuals	1	1	1	1
Total	$387	$336	$195	$197

Export Administration publications, periodicals, and pamphlets are one of the most essential tools through which the organization fulfills its mission to administer U.S. statutes and agreements dealing with export controls.

The major publications (periodicals) produced by Export Administration are the Export Administration Regulations, Export Administration Annual Report, and the Annual Foreign Policy Report to the Congress, which account for the bulk of Export Administration periodical costs. Publications play an essential role in keeping the community and the public informed on particular aspects of export control issues.

Pamphlets are primarily used to educate the business community on the functions performed by the Export Administration program and are distributed through Export Administration's export seminar program; by the U.S. and Foreign Commercial Service during individual business counseling sessions; and by Export Administration officials who are participating in training seminars, giving speeches at public functions, and answering questions from the business community regarding exports.

Exhibit–36

Department of Commerce
BUREAU OF EXPORT ADMINISTRATION
Operations and Administration
Average Grade and Salaries

	FY 1992 Actual	FY 1993 Estimate	FY 1994 Estimate
Average ES salary	$96,600	$96,600	$96,600
Average GS grade	10.83	10.45	10.48
Average GS salary	$37,552	$36,992	$39,529
Average salary of ungraded positions	0	0	0
Average grade and salary established by the Foreign Service Act of 1980 (22 U.S.C. 801–1158):			
Average Foreign Service grade	2.06	2.06	2.10
Average Foreign Service salary	$57,571	$60,277	$70,185
Average Salary in foreign countries	$57,571	$60,277	$70,185

Mr. MORAN. Testifying on behalf of this request today is the Acting Under Secretary for Export Administration, Robert F. Kugelman. Since this is your first time to testify before this Committee, we will insert your biographical sketch into the record.

[The biographical sketch of Mr. Kugelman follows:]

ROBERT F. KUGELMAN, ACTING UNDER SECRETARY

Robert F. Kugelman is serving as the Acting Under Secretary for the Bureau of Export Administration and is also Director of Administration, a position he has held since October 1987. Mr. Kugelman has wide-ranging management experience in the Department of Commerce, having served high profile positions since 1979. These include Senior Program and Policy Analyst for Trade Administration (5/86—10/87) and Senior Policy Analyst on the Policy and Planning Staff for the International Trade Administration (6/83/4/86). Mr. Kugelman also served a temporary assignment on the Professional Staff of the House Export Task Force; U.S. House of Representatives (5/85—12/85).

At the Department level, Mr. Kugelman has served as the Director of Economic Development, Information and Trade Division; as Deputy Director, Office of Program Evaluation; and as Chief, Program Evaluation Staff, Office of Program Planning and Evaluation, Office of the Secretary. He held these various positions from 4/79 to 4/83.

Mr. Kugelman came to the Department of Commerce from the Department of Health and Human Services, where he served as a Program Analyst in the Health Care Financing Administration, from 11/76 to 4/79.

Prior to working for the Federal Government, Mr. Kugelman spent several years employed in the private sector. Among the positions he held are Manager, Management Services Division, Wolf and Company CPAs, Washington, D.C., from 7/74 to 10/76; Research Associate and Director of Information Services, Florida Health Care Plan, from 11/72 to 7/74; and Methods Analyst, Work Measurement Division, Seattle First National Bank, Seattle, Washington, from 12/68 to 9/69.

Mr. Kugelman received a B.A. from Rutgers University; a B.S. and M.A. from the University of Washington; and completed course requirements and comprehensive exams for his Master of Arts in Public Administration from the University of Virginia.

Mr. Kugelman served in the United States Naval Submarine Service, receiving an Honorable Discharge in 1964.

Mr. MORAN. We are getting a lot of acting under secretaries here, but I guess it is that time—well, actually, it isn't. There should be appointments made soon, one would think, but it is nice to have you, Mr. Kugelman, and you may proceed.

OPENING STATEMENT

Mr. KUGELMAN. Thank you, Mr. Chairman. I would like to summarize the full statement——

Mr. MORAN. That is a good idea.

Mr. KUGELMAN [continuing]. Which we have submitted for the record. Before I do that, though, I would like to introduce two Acting Assistant Secretaries. To my left is Iain Baird who is Acting Assistant Secretary for Export Administration and that is the area of our agency that oversees the export licensing program, our technical policy analysis program, our foreign availability assessment program and our industrial resource base program.

To my right is Doug Lavin, who is the Acting Assistant Secretary for Export Enforcement and in an overall sense is responsible for our enforcement operation as it relates to export controls and antiboycott compliance. In addition, he is charged with the operation of a relatively small office of export enforcement support.

With that, I will begin my summary.

As you noted, our budget request for fiscal year 1994 is for $34.7 million and 307 permanent positions. This budget request does reflect relatively significant reductions from our prior year appropriation. The numbers and resources requested reflect major changes which have occurred in the export control environment during the past four years and which were summarized for the U.S. Congress in detail by the National Academy of Sciences study, Finding Common Ground, which was presented about 18 months ago to our authorizing committee.

Among the many factors and dynamics operative in the export control environment today, the breakup of the Soviet Union, the dissolution of the political organizations referred to as the Soviet bloc in Eastern Europe, as well as the significant reduction in controls agreed to by the U.S. with its allies at COCOM in 1991 have resulted in roughly a 70 percent reduction in the volume of export license applications submitted to our agency over the past four years.

Our budget request for fiscal year 1994 takes this trend into account and attempts to address it in a reasonable way.

As you know, the vast majority of BXA's programs and activities are mandated under Federal statute, Presidential Executive Order, or international agreements. While we exercise certain unique authorities which are substantial among U.S. Government agencies, many of our programs and activities are pursued jointly with the International Trade Administration, or require ongoing interactions with the Departments of State, Defense, Treasury, FEMA and the intelligence community.

Our primary mission is to protect U.S. national security, foreign policy and economic interests of the country through a system of national security and nonproliferation export controls. These controls apply to so-called dual-use goods and technologies which are items which have both civilian and military uses.

The mission component in this area includes activities related to export licensing, the development of technical policy which determines the controls imposed by the U.S. Government, as well as input into development of negotiating positions with our allies.

It includes the conduct of foreign availability assessments, which gauge the availability of equivalent technologies from non-U.S. and non–COCOM sources; it includes extensive business outreach as an aid to compliance with U.S. controls and anti-boycott requirements by U.S. industry; it includes investigative program activities which are an exercise of Federal law enforcement authorities leading to the detection and prevention of diversions, or the prosecution of violations of the EAA Act.

BXA is also the focal point within the Department of Commerce for the conduct of a broad range of analytical work and the development of policies which are designed to ensure a strong defense industrial base.

These defense industrial base programs support both national security and foreign policy interests as well as U.S. goals relating to the economic competitiveness of defense industrial base sectors. Programs included in this mission area deal with the U.S. priority and allocations system, short supply, defense trade, foreign investment in the U.S., the assessment jointly with the Department of

Defense of critical U.S. defense-related technologies and most recently, analytical and program support for U.S. defense conversion and for U.S.–USSR defense conversion objectives.

The Bureau of Export Administration is the American co-chair of the U.S.–USSR Defense Subcommittee. Mr. Hauser, who just testified, mentioned the overall umbrella business development committee with the USSR and we have the defense conversion component of that.

Needless to say, cooperation from the U.S. business community is critical to all of the activities that we conduct. We have extensive outreach programs in our export administration, export enforcement and industrial base areas. These programs are intended to assure compliance with the governing statutes, and also to provide us with representative sources of input to the development of U.S. policy, U.S. regulations and U.S. program initiatives areas.

The deterrent capability of the agency is expressed through its enforcement operation, and this is an area that has developed since 1991—excuse me, 1981 as a professional law enforcement organization of the first rank. It operates from eight field offices throughout the United States.

Reductions, as you noted, are approximately $6 million below our fiscal year 1993 appropriation. This is substantial. These program reductions are being spread across all areas of our organization, although the proportional allocation to the licensing function and license related support functions is the greatest.

We have in our budget, program areas or line items, management and policy coordination, export administration, export enforcement and industrial resource administration. The accomplishments in each of these areas, as well as the major program activities, are described in some detail in our formal budget submission, as well as in the fiscal year 1992 annual report submitted to Congress on January 20th, so I will not repeat any of that material at this point.

With respect to the future, to fiscal year 1994 and beyond, program managers at the Bureau view this as an exceptionally challenging period for the agency. We have had in our dealings with the Secretary and the Office of the Secretary assurances that they will work with us collegially to reduce and restructure in a way that achieves program missions and priorities without sacrifice of vital mission responsibilities, and which will produce assistance, if needed during fiscal year 1994, to a secretarial transfer authority which has been requested from the U.S. Congress or through other mechanisms available within the Department.

I would like to stop at this point and conclude my statement and the three of us would be happy to answer questions if you have any.

[The prepared statement of Mr. Kugelman follows:]

PREPARED STATEMENT BY ROBERT F. KUGELMAN
ACTING UNDER SECRETARY FOR EXPORT ADMINISTRATION
DEPARTMENT OF COMMERCE

Before the Subcommittee on
Commerce, Justice, State, the Judiciary and Related Agencies
Committee on Appropriations
House of Representatives
April 28, 1993

Mr. Chairman and members of the subcommittee, thank you for providing me the opportunity to testify on behalf of the Bureau of Export Administration's (BXA) budget request for fiscal year 1994. Our request comprises a total of 307 permanent positions and $34,747,000.

Since the breakup of the Soviet Bloc and the dissolution of the Soviet Union, the volume of export control license applications for dual use technologies has continued to decline. Our budget request for FY 1994 takes this trend into account and addresses this issue.

BXA's primary mission is to protect U.S. national security, foreign policy and economic interests through a system of export controls on goods and technologies that have both military and civilian uses, while minimizing the impact of export controls on legitimate commercial transactions. This mission component includes licensing, technical policy, foreign availability, business outreach and investigative programs.

BXA is also the focal point within the Department of Commerce for developing, promoting, and implementing policies that ensure a strong, technologically superior defense industrial base. BXA's programs support national security and foreign policy interests by preserving and enhancing our vital industrial sectors. Programs included in this mission area deal with the U.S. Priority and Allocation System, short supply, defense trade, foreign investment in the U.S., critical technologies assessments and U.S. and Russian Defense conversion.

The cooperation of U.S. industry is essential to the effective functioning of all BXA programs. BXA continues to seek ways to improve our responsiveness to the U.S. business community's needs in the course of carrying out our responsibilities.

A key element of BXA's program is to help exporters understand and comply with the rapidly changing export controls on emerging commercial opportunities. BXA conducts various activities to assist exporters in understanding new proliferation-related controls. For example, our outreach programs provide licensing, regulatory and enforcement counseling to exporters throughout the United States and overseas.

In addition to administering the controls, BXA continues to enforce these controls through aggressive efforts to prevent diversions of sensitive technology and to investigate and prosecute those who violate these controls. Our relatively small Export Enforcement and Antiboycott Compliance programs have achieved significant results.

Our request of $34.7 million for FY 1994 fully supports the goals of the Department and the Administration. This request is $6.3 million lower than our 1993 appropriation and roughly $8 million below the FY 1994 Baseline. Reductions will be applied across all BXA programs and not just to its licensing function.

The Bureau of Export Administration budget has four program activities: Management and Policy Coordination (MPC); Export Administration (EA); Export Enforcement (EE); and Industrial Resource Administration (IRA).

MANAGEMENT AND POLICY COORDINATION

The Office of the Under Secretary for Export Administration is responsible for the following:

- Policy oversight for the Department's strategic trade, foreign policy, defense industrial base, short supply and antiboycott responsibilities.

- Coordination of BXA's interactions with other agencies, the international community, the Congress, the press and the business community.

- Decisions on appeals of license denials and Administrative Law proceedings.

Proposed Changes in Management and Policy Coordination

We are proposing a decrease of 4 positions and $174,000 for Management and Policy Coordination due to the reduction in workload associated with licenses on dual use technologies.

EXPORT ADMINISTRATION

The primary mission of Export Administration (EA) is to manage an efficient U.S. export control system over commodities and technologies which are controlled primarily for national security, foreign policy and short supply reasons, while limiting the burden placed upon U.S. industry operating in the global marketplace.

This is accomplished by developing the appropriate export controls to protect vital U.S. interests, issuing up-to-date export regulations implementing these controls, and operating a licensing system that issues timely and accurate export licensing decisions to U.S. industry.

In order to ensure that U.S. export controls achieve their ultimate strategic objectives, and to see that U.S. industry is not placed at a competitive disadvantage, EA is working with the five multilateral export control regimes; COCOM, the Missile Technology Control Regime, the Australia Group, the Nuclear Suppliers Group and the Supercomputer Control Regime.

Some of Export Administration's major accomplishments include:

- Expanding and upgrading the electronic licensing system to accept all applications regardless of commodities or destinations. This expansion will allow U.S. firms to obtain export and reexport licenses faster and will eliminate the more labor-intensive paper applications. This upgrade will facilitate the export of U.S. goods and technology to Russia and the Newly Independent States.

- Initiating assessments on high speed modems and computers in response to U.S. industry claims that foreign availability exists for a COCOM controlled item. A positive finding of foreign availability in connection with an assessment requires a liberalization of U.S. national security export controls and a proposal to COCOM that our allies follow suit. The computer assessment in particular would affect millions of dollars of controlled U.S. exports.

- Developing and distributing two editions of a Russian Defense Business Directory (Directory) for U.S. firms interested in exploring existing and potential opportunities for participation in Russian defense conversion. The Directory provides technical assistance to small-to-medium size firms interested in exploring opportunities for participation in Russian defense conversion.

- Developing and distributing the 90-page "Export Management Systems Guidelines", in response to industry requests. This booklet helps exporters develop internal controls to prevent sales to end-users involved in the proliferation of weapons of mass destruction.

- Conducting numerous outreach activities including answering over 200,000 exporter inquiries in the first six months of FY 1993 and holding the Third Annual Update West Export Administration Conference in San Jose, California, (which drew over 250 high-tech industry attendees from 18 states and 5 foreign countries.) This is one of approximately 120 outreach seminars scheduled for FY 1993.

- Completing over 4,000 commodity classifications and advisory opinions, resolving over 800 interagency license disputes (with approximately 80% resulting in license approvals), and generating U.S. negotiating positions on half of the commodities on the COCOM control list, including such critical items as supercomputers and telecommunications equipment.

- Significant progress was also made in developing multilateral control regimes designed to halt the spread of the weapons of mass destruction. Export Administration provided technical and policy support for meetings of the Missile Technology Control Regime (MTCR); the Nuclear Suppliers Group (NSG); the Australia Group (AG); and the Supercomputer Multilateral Group.

Proposed Changes in Export Administration

We are proposing a decrease of 75 positions and $4,216,00 for Export Administration due to the reduction in the volume of export license applications on dual use technologies. The number of applications processed have gone down from 83,218 in FY 1989 to 23,997 in FY 1992, which represents roughly a 72% drop over four years. The declining workload will be offset by reducing funding levels in our Office of Export

Licensing, the Office of Technology and Policy Analysis and the Office of Foreign Availability.

EXPORT ENFORCEMENT

The primary mission of Export Enforcement (EE) is to prevent the illegal diversion, export and re-export of U.S. technology and commodities. EE accomplishes this mission through investigations of suspected violations of the Export Administration Act and Regulations. These investigations are conducted by EE Special Agents, law enforcement officers specially trained in preventing the diversion of U.S. technology. When violations are found, EE pursues criminal and/or administrative sanctions as the facts warrant.

In addition to investigations, EE also conducts an extensive outreach program, (The Business Executives Enforcement Team, BEET), to help industry understand the importance of compliance with U.S. export control laws and to recognize the signs of potentially illegal transactions. Equally important, the outreach program provides enforcement officers with valuable industry contacts who can serve as sources of information about potential violations. EE also works closely with EA and the Census Bureau to screen export license applications and shipments for potential diversions of controlled U.S. technology. Finally, EE continues to play an important role in USG efforts to assist East European countries to develop their own export enforcement systems.

Export Enforcement also has the important function of administering and enforcing the "antiboycott" provisions of the Export Administration Regulations. The primary focus of these provisions is to ensure that U.S. companies do not participate in the Arab League boycott of Israel. Antiboycott compliance officers conduct investigations throughout the United States of alleged violations of the antiboycott provisions.

Recent accomplishments include:

- In 1992, EE special agents secured 6 criminal convictions of companies and individuals. Criminal fines of $225,000 were recorded during this period.

- EE ended FY 1992 with a record $5.6 million in civil penalties imposed for both export control and antiboycott violations of the Export Administration Act. The Office of Export Enforcement assessed $3.5 million in civil fines and the Office of Antiboycott Compliance levied civil penalties totalling $1.7 million. In addition, the two offices shared a joint case in which a civil penalty of $444,000 was imposed.

- For FY 1993, $6,485,150 in civil penalties have been imposed to date for both export control and violations of the Export Administration Act. The office of Export Enforcement assessed

$145,500 in civil fines and the Office of Antiboycott Compliance levied civil penalties totalling $6, 339,650.

- During 1992, Commerce enforcement personnel reviewed 3,659 export license applications for possible diversion of high technology and for non-proliferation concerns. Of these, EE recommended that 467 applications be either rejected or returned without action because of the probability that the commodities would be diverted or that the transactions would otherwise violate the regulations.

- As part of Commerce's effort to prevent illegal exports before they occur, the enforcement staff directed that 700 pre-license checks be conducted in 1992. As a result of adverse information discovered during the pre-license checks, EE recommended that 75 applications be rejected or returned without action; these applications represented $77.4 million worth of export transactions where there was a substantial risk that violations of export controls would have occurred.

- The Commerce enforcement staff also completed 168 "in-country" post-shipment verifications during fiscal year 1992. Of these, six contained information that required further enforcement action.

- In response to the growing concern over the proliferation of nuclear, chemical and biological weapons and the missiles to deliver them, Export Enforcement has instituted the Strategic and Non-proliferation Enforcement Program (SNEP). The SNEP is designed to bolster enforcement in selected areas of the world. For example, the initial SNEP focused on enforcement of export controls with the Middle East and North Africa. The specialized training and techniques provided in the SNEP program have enhanced the U.S.G.'s ability to respond to the challenges of the Enhanced Proliferation Control Initiative (EPCI). More than a dozen Federal law enforcement and intelligence agencies participate in this BXA program.

- In conjunction with the SNEP, EE has developed a targeted Safeguards Review Regime in which special agents and analytical specialists visit countries and regions of concern to determine if U.S. goods or technologies received there have been or will be diverted to unauthorized uses or destinations. The results of the 22 Safeguards visits that have been conducted since FY 1990 have provided BXA management with quantitative information on the reliability of the reexport controls in critical countries.

- EE has expanded its contacts with the regulated business community through its aggressive Business Executives Enforcement Team (BEET), a series of nation-wide conferences/seminars with corporate officials designed to address enforcement concerns and issues. Since its inception in FY 1991, over 1,000 business officials have attended BEET conferences to work with EE personnel on the shared goals of preventing violations and identifying proliferation concerns.

- On March 25, 1993, Export Enforcement and the Department of Justice announced the settlement of criminal and administrative actions against a major multinational manufacturer and distributor of medical and hospital supplies. This settlement, which included record civil penalties in excess of $6 million plus criminal sanctions of $500,000 and a period of export denial, represents the first successful criminal action, the largest civil penalty, and the most stringent denial of export privileges imposed against a company for antiboycott violations. The case illustrates extremely effective cooperation among the Offices of Antiboycott Compliance, Export Enforcement, BXA

Chief Council and the Department of Justice to enforce the Antiboycott provisions of the Export Administration Act.

Proposed Changes in Export Enforcement

We are proposing a decrease of 28 positions and $1,516,000 for Export Enforcement due to the reduction in workload associated with decreased licenses on dual use technologies.

INDUSTRIAL RESOURCE ADMINISTRATION

The Office of Industrial Resource Administration (OIRA) has the responsibility within the Department for developing, promoting, and implementing policies that ensure a strong, technologically superior defense industrial base. The activities of the Office of Industrial Resource Administration are premised on the understanding that the ability of the United States to maintain its national and economic security is inextricably linked with the strength and vitality of the defense industrial base. During this time of U.S. and Russian defense conversion, it is essential that the U.S. industrial base maintain its ability to generate technological innovations, as well as its ability to supply adequate volumes of industrial resources for use in national emergencies.

Significant FY 1992 accomplishments include:

- The completion of two joint Commerce/DOD industrial capability assessments to analyze the overall health and competitiveness of two key defense-related industries: bearings and forgings.

- As a part of a new U.S.-Japan Technology Flowback Cooperation Program, sponsoring a government-industry symposium on FS-X radar technology and conducting bilateral meetings in Japan on the subject of technology flowback at the BXA Under Secretary-level.

- Representing DOC on an interagency task force which completed preparation of a NATO Code of Conduct for Defense Trade, intended to generate full reciprocity of market access for U.S. companies wishing to participate in European military procurement.

- Initiating an investigation on the national security impact of foreign imports of ceramic semiconductor packaging, in response to a U.S. industry petition.

- Providing technical and policy support to the U.S. Defense Conversion Commission. This group issued a December 1992 report which emphasized the importance of addressing technology flowback, defense trade promotion, and defense offset arrangements.

- Coordinating the activities of the U.S.-Russia Defense Conversion Subcommittee, an intergovernmental body established to address issues related to Russian privatization and industrial conversion. The subcommittee established an information dissemination network for conversion information tailored to the needs of small-to-medium sized U.S. companies seeking to do business in Russia.

Proposed Changes in Industrial Resources Administration

We are proposing a decrease of 9 positions and $553,000 for Industrial Resources Administration due to an overall reduction to BXA's base program and to also reflect the Government-wide effort to implement program efficiency savings.

My colleagues and I believe that this is an exciting and challenging period in the history of our agency. We believe that we can restructure and improve our programs to achieve excellence in the performance of our mission responsibilities. Thank you for providing BXA with the opportunity to testify before this subcommittee.

WORKLOAD INDICATORS

Mr. MORAN. Thank you. Let's go to the fact that you are proposing to reduce 116 positions and $6.5 million. The justification says that that is based on a reduction in the workload. Yet in the justification, you put an asterisk beside each of those workload reductions and explain it by saying that workload reductions are the result of declining resources. So which is it?

It looks like a little budget gimmickry here to satisfy maybe what OMB told you to do or some other reason. But to say on the one hand that you are asking for less money because you have less to do; on the other hand, you are saying you are doing less because you don't have the money to do it with. What would you be requesting if you did not have declining resources?

In other words, if the budget was the same or had an inflationary increase built into it for this year, what would be the numbers for your workload at that point?

Mr. KUGELMAN. I am not sure I completely understand the question.

Mr. MORAN. Well, tell me which it is. Are you cutting your budget because you have less work to do, or do you have less work to do because you are cutting your budget?

Mr. KUGELMAN. I think the primary rationale for the reductions across the board are the decline in workload volumes as expressed through our licensing volume since 1989, that trend.

Mr. MORAN. Then why did the justification say that workload reductions are the result of declining resources?

Mr. KUGELMAN. I think in some areas, there. We have personnel, for example, that process licenses, but they also do other things within the agency. And in terms of estimating the impact of our new resource base across these ranges of functions, it seemed to us that in certain areas we would be required to do less in 1994. And therefore, we identified some workload indicators as having a resource impact on them.

Mr. MORAN. Are you satisfied with that, Sally?

Okay. So there are no workload estimates affected by a decline in budgetary resources being requested?

Mr. KUGELMAN. No, there are. There are. If I indicated the opposite, I misspoke.

As you go through a full list of workload indicators across our programs, some remain the same in terms of the trend, the projections from prior years; others are in fact reduced. I think it is our best estimate in going through and dealing with the allocations of this reduction.

This is something that is in process and will actually continue for the next four months, working out the details of it. In certain areas we will be impacted due to the lower dollar number and the lower number of personnel that we have on board.

Mr. **Moran**. We would like for you to supply for the record what activities will not be done if you get the reduced budget that you are requesting versus what you could have done if you had gotten the full budget that you would have requested to maintain existing levels of services.

Mr. **Kugelman**. We will do that.

[The information follows:]

FY 1994 Workload Measures

The FY 1994 estimated numbers for the following "Workload Measures" are based on declining resources:

EXPORT ENFORCEMENT

	FY 1994 Est.
Export Enforcement/Enforcement Support	
Investigations Closed (administrative actions completed)	160
Cases Referred to Justice Department for Criminal Action	20
Cases Referred to Office of the General Counsel for Administrative Action	22
Denial Orders Issued (temporary, final and amendments)	18
Warning Letters Issued	200
Prelicense Checks Initiated	450
Post Shipment Checks:	
Eastern Europe	15
Middle East	30
Other	125
License Application Rejections and RWA's	250
Export Value of Rejected & RWA License	$200,00

EXPORT ADMINISTRATION

	FY 1994 Est.
License System Reviews:	
IVL Reviews	0
Special License System Reviews:	
o Domestic Reviews (audits)	20
o Foreign Reviews (audits)	10
Total	30
EPCI End-User Analyses	0

	FY 1994 Est.
Outreach Consultations:	
Headquarters Phone Inquiries	57,000
Regional Office Inquiries:	
o WRO (Southern California)	90,000
o Northern California Branch	27,000
o ERO (Nashua, NH)	30,000
Pre-licensing Consultations	1,000
Education of Industry:	
Headquarters Seminars	12
Headquarters Presentations	40
Regional Office Seminars:	
o WRO (Southern California)	53
o Northern California Branch	27
o ERO (Nashua, NH)	10
Regulatory Licensing Impact Analyses:	
Interagency Licensing Analysis Review Meetings	71
Intra-agency Licensing Analysis Review Meetings	27
Licensing Policy Trend Analysis	0
Technology and Policy Analysis:	
NSD 53 Meetings & Preparation	800
Exodus & OEE cases	250
Commodity Jurisdictions	200
Seminar Participation	0
Training/Preparation for Foreign Governments	0
Advisory Opinions	0
Support for Technical Advisory Committee Meetings	65
Interagency Negotiations	300
International Negotiations	400
Export Control Proposals	50

	FY 1994 Est.
Foreign Availability:	
Congress	0
Foreign Availability Reviews Initiated	0
Foreign Availability Reviews & Assessments Completed	4
Foreign Industry Analysis for Critical Technology Assessments:	
Initiated	0
Completed	0
Short Supply Analysis	14
Russian Defense Business Directory	0

INDUSTRIAL RESOURCE ADMINISTRATION

	FY 1994 Est.
Defense Production Act Actions:	
Regulatory Audits, Compliance and Training Actions	25
U.S. National Security Emergency Preparedness Plans	2
Industrial Preparedness Mobilization Exercises (Domestic & International):	
NDER Training	0
Interagency & NATO Readiness Coordination Exercise	10
International (NATO) Production Base	10
Offsets in Defense Trade:	
Offset Country Policy Reviews	6
Memoranda of Understanding:	
MOU Reviews	60
Other Studies or Actions:	
Industrial Capabilities Studies	10
Critical Technology Assessments	10
Stockpile Market Impact Analyses	30
Industry Outreach Initiatives	10

REGIONAL OFFICES

Mr. **Moran**. Now, some of the implications of this cutback. I understand you are going to reduce the level of resources in your regional offices? Is that the case?

Mr. **Kugelman**. That is not a response to this budget number at this point in time. And I think that our regional field structure, both on the enforcement and the export administration side, will be held relatively stable.

Mr. **Moran**. Are any being closed down?

Mr. **Kugelman**. None are planned or targeted for closure at this point in time. This is in 1994, we are talking about.

Mr. **Moran**. That is interesting. Are you familiar with the Springfield, Virginia office?

Mr. **Kugelman**. Yes, I am, sir.

Mr. **Moran**. That handles most of the international workload in the mid-Atlantic states?

Mr. **Kugelman**. Yes, sir, I am.

Mr. **Moran**. Are you keeping that open?

Mr. **Kugelman**. The Springfield office is going to be kept open. It is going to be merged physically back into our headquarters operation. It is going to be merged back into our Washington headquarters building. That is a train that was coming before we ever had a resource number.

They are in space that is controlled by the National Technical Information Service. That lease is subject to expiration in March of 1994. They have been looking for commercial space outside of that building.

Our thinking at this point is, with the decline in the number of agents stationed at that office during this past fiscal year, and now with this new resource number on the table, it will be more efficient for us and cheaper, frankly, to run that function out of Washington. So it is not being closed.

Mr. **Moran**. That office is being closed; you are saying the same activity will be conducted in the Washington office.

Mr. **Kugelman**. Yes.

Mr. **Moran**. Why are there fewer agents working there?

Mr. **Kugelman**. We had a couple of retirements.

Mr. **Moran**. Is it normal that when somebody retires, you eliminate the job? In other words, people are so dispensable that you wait until they retire and then you don't backfill.

Mr. **Kugelman**. In general, sir, the——

Mr. **Moran**. They couldn't have been doing much.

Mr. **Kugelman**. I am going to let Mr. Lavin respond to that second one.

Mr. **Moran**. They retire and that is it, they just close down the office.

Mr. **Kugelman**. I think what has happened, if you look at the series of numbers from the Bureau of Export Administration, we were established in October of 1987 as a result of a congressional statutory mandate. For every year since we were set up, the Congress has tended to appropriate less than the administration has requested. That is each and every year with the exception of fiscal year 1989.

That trend became more radical for fiscal year 1992 when the Congress appropriated almost $5 million less than the administration requested. So we in effect have been a downsizing agency throughout most of our history.

The rate of downsizing actually accelerated in fiscal year 1992 as a result of the appropriation we received. So it is true to say that when people have left, we have not refilled those positions. But that is not something that just started now, that goes back several years, sir.

EXPORT ENFORCEMENT ACTIVITIES

Mr. MORAN. Let me see if I can make the tie now. You don't refill their positions. Does it have any effect upon your activities that you are responsible for?

Mr. LAVIN. Absolutely.

Mr. MORAN. It does?

Mr. LAVIN. Absolutely.

Mr. MORAN. Okay. So what did we lose in terms of export administration when these positions, for example, were cut back?

Mr. LAVIN. In terms of these positions, Mr. Chairman, we would lose the amount of agents we had. I think two people retired. That would reduce our abilities to enforce the Export Administration Act in the mid-Atlantic States in the region that they were responsible for by sheer numbers of people there. Those were special agents that retired, trained special agents.

Mr. MORAN. And you are not training any more to take their place?

Mr. LAVIN. No, not at this time.

Mr. MORAN. It is purely because of budget reduction, not a reduction in the activities for which they need agents in charge of reviewing? In other words, there will be a greater laxity in enforcement; is that possible to say?

Mr. LAVIN. I think it would defy logic for me to say otherwise.

Mr. MORAN. Okay. Now, the mid-Atlantic States is a fairly active region in terms of exports?

Mr. LAVIN. Yes, they are.

Mr. MORAN. And this office also handled most of the international workload?

Mr. LAVIN. Well, our primary focus is domestic with exports going outside of the country. So we are handling the companies that would be doing the exporting in this region, yes.

Mr. MORAN. So let me make sure now. You are saying that this was not a superfluous function that these two people were performing?

Mr. LAVIN. Absolutely.

Mr. MORAN. And what you are saying, it was integral to the operation of BXA?

Mr. LAVIN. I think that every one of my enforcement agents is integral to the operation. We have eight field offices around the country. The Springfield office was an important office as well as the other offices. So any loss of an agent is an important function to us, yes.

Mr. **Moran**. So you lost two out of how many that were in the office?

Mr. **Lavin**. 10.

Mr. **Moran**. You lost 20 percent of your work force.

Mr. **Lavin**. Right.

Mr. **Moran**. Okay.

Mr. **Lavin**. I mean, Mr. Chairman, one of the ideas is to bring it back to the Washington office. It will be a field office, but it will be based in our building. It is merely a space issue. They also can depend, at least that field office can depend on some support from our Washington office and our agents will be in place in Washington as well.

Mr. **Moran**. Okay. Will there be any reduction in service as a result of this reduction and relocation?

Mr. **Lavin**. We will do everything in our power to prevent there being a reduction in service.

DEFENSE CONVERSION

Mr. **Moran**. Okay. Believe it or not, my concern is not so much that it is in Springfield, it is only eight or 10 people, but my concern is not with them so much as with the organizations, the corporations that they serve. It seems as though, where we have a major defense contracting establishment such as in the mid-Atlantic States, they need to be able to work with the Bureau of Export Administration in terms of exports, and particularly with the greater role for the defense conversion aspect of those exports. I won't belabor that. I will discuss it with you later.

I do think it might be useful, incidentally, to get a full-fledged meeting between some of the defense establishments in the mid-Atlantic States, certainly in Northern Virginia, which is a major defense contracting area, and BXA to talk about defense conversion; what you are doing in terms of helping them to convert disability and application vis-a-vis the Export Administration.

YUGOSLAVIAN SANCTIONS

Tell me what this means in terms of Bosnia as a current example. Have you been involved at all in restricting exports to Bosnia?

Mr. **Baird**. Very definitely, ever since the U.N. sanctions were put into place.

Mr. **Moran**. Has much been restricted?

Mr. **Baird**. Everything.

Mr. **Moran**. Were we doing much with Bosnia?

Mr. **Baird**. We were doing quite a bit previously with Yugoslavia.

Mr. **Moran**. It is supposed to be a strict embargo in all of Yugoslavia now. I understand that up until yesterday it was a loose embargo.

Mr. **Baird**. For Serbia and Montenegro, that has been in effect for a considerable period of time. There are approvals of U.S. commodities going to other parts of former Yugoslavia, Bosnia and Croatia, Slovenia and those are reviewed on a case-by-case basis to make sure they will not contribute to the military activities in that area.

Mr. **Moran**. Well, Bosnia is now run by the Serbs. Are we restricting exports to the Bosnian Serbs?

Mr. **Baird**. Yes, we are very careful about anything that goes to any of the former entities of Yugoslavia, to either make sure that they will not contribute to the military effort, or that they are so benign and related to humanitarian activities that the U.S. Government would be in a position of approving them.

Mr. **Moran**. Have you changed your policy in the last couple of days?

Mr. **Baird**. No, we haven't, because as far as the export licensing restrictions, they were already so stringent that no modification was necessary as a result of the recent announcement.

Mr. **Moran**. Were you guys around for the last four or five years?

Mr. **Kugelman**. Yes, sir.

EXPORTS TO IRAQ

Mr. **Moran**. I want to talk to you a little about Iraq. I was on the Banking Committee last year. We heard one story, for example, and I would like for you to clarify this, confirm, deny it, absolutely, whatever, that there was a firm that had contracted to supply high intensity furnaces to Iraq.

Some of the employees had concerns after discussions with Iraqi personnel that these furnaces, instead of being used for what they said they were going to be used for—to help with devices for disabled people, were going to be used to help fashion nose cones for missiles or something of that nature.

We objected to that. But it went through anyway, and the story goes that it was only after a call from a Congressman to the White House, to Scowcroft, I think, that they were stopped on a Philadelphia dock.

Elaborate a little on that, will you? Give us the inside story.

Mr. **Baird**. I will take a shot at that. The furnace in question was not controlled by the United States Government for export to Iraq at the time the company was to ship that, and the company confirmed that with the U.S. Department of Commerce, that this was a low-level, uncontrolled furnace.

During the course of the conversation with the companies, subsequent checks with Defense Department and the intelligence community, we began to develop information that perhaps this furnace was going to be used either for missile applications, aircraft applications, or perhaps even for nuclear end uses.

As that information was developed and we became more and more certain that this would be used potentially for nuclear activities, we interceded with the shipment and stopped it. But it was an evolving——

Mr. **Moran**. You interceded?

Mr. **Baird**. In the sense of requiring the company to come in for an export license, and then while that license was before us—which the company did, and while that license was before us, Saddam Hussein invaded Kuwait, making the transaction moot anyway.

Mr. **Moran**. It is not true that it got to the Philadelphia dock?

Mr. **Baird**. It may have been on the dock—I don't believe it was on the dock, but I believe the company had it packaged up, ready to ship it. It was close.

Mr. **Moran**. Tell me about the documents that were altered in terms of the equipment that was being sent to Iraq. I have seen documents where the word "military" had been taken out in its description of trucks, so that they would be seen as commercial trucks instead of trucks that could be used for military purposes.

What was going on there in terms of the alteration of documents that was supplied to the Congress?

Mr. **Baird**. I think there has been previous testimony to this question by former Under Secretary Kloske, and my recollection is the following: There are really two types of changes that were made to the reports that were provided to Congress, and again, I stress the word "report" that was asked for by Chairman Barnard at the time.

The Chairman did not ask for a printout or a dump from the data base, he in fact asked for a report. The first place we turned to in developing that report was in fact our electronic database which contains a lot of information. Unfortunately, it contains some erroneous information, or information that had entered improperly by data entry clerks.

In examining the report that was——

Mr. **Moran**. Such as?

Mr. **Baird**. Such as—not updating the recommendations of other agencies; wrong commodity descriptions, items such as that, just inaccuracies.

Mr. **Moran**. Was it a description of a truck that could have been used?

Mr. **Baird**. If you will give me a minute, I will come to that. There really are two different types of changes that were made. The first set, out of the 68 changes that were identified by the Inspector General, our Inspector General's Office, 95 percent of them fall into this first category. And they were in fact data entry errors. They either were misclassifications in the database, or incorrect other agency positions. Those were changed to ensure that the Congress got correct information.

The other type of change that was made was an attempt to give the Congress, again, clear information as to what was actually shipped to Iraq. In the case of trucks, the database had a certain commodity classification number that, when that was keyed by the computer, it printed out the title "military vehicle."

When that entry was then compared with what the license application was for, it was clear that these were not for combat vehicles or armored vehicles, or what one would normally consider to be military vehicles.

My understanding is that, at that point, Under Secretary Kloske decided to recharacterize those vehicles as heavy cargo utility vehicles—which in fact is what they were—but clearly left in the report to the Congress that these were destined to the Ministry of Defense. So there was no attempt to, as I understand it, to delude the Congress that these were going anywhere else to a military end user. It was clear; it was on the report given.

But Under Secretary Kloske was concerned that the Congress might think that the Commerce Department had improperly licensed something in violation of the then-arms embargo towards Iraq. We were not at that time, as you will recall, permitting the sale of munition items to Iraq. I understand that is the rationale behind it, but I would refer you to Under Secretary Kloske's testimony, which I think fully describes this.

Mr. MORAN. Kloske left. For a while, he was impossible to find, and we tried to find him and there was a recording on his girlfriend's telephone that if you are looking for him, he is not here, he has gone to Europe or something. We couldn't find him in Europe. Have they found him now?

Mr. KUGELMAN. Not really.

Mr. LAVIN. I don't think he is in hiding, I think he is working for a company in Switzerland. I think he is in Switzerland.

Mr. MORAN. These trucks were in fact used in Iraq.

Mr. BAIRD. I don't believe so. In point of fact, the——

Mr. MORAN. Are any of the trucks that transported the Scud missiles American made?

Mr. BAIRD. No. In point of fact, these trucks were never shipped to Iraq. They were licensed by the Department of Commerce, and that is clear the company did have an export license, but the funding never came through, and while a couple of demonstration vehicles were shipped to Iraq, the actual billion dollars worth of trucks that has been referred to were never shipped to the manufacturers.

Mr. MORAN. Let me get right to the heart of the question then, because it is somewhat happenstance that I happen to be in this position and you on the other side here. But I think this is relevant to BXA.

Mr. KUGELMAN. It is.

Mr. MORAN. Were American products used by the Iraqi military in the Persian Gulf War?

Mr. BAIRD. I would say definitely yes. One has to remember that the United States was trading with Iraq ever since Iraq had been taken off the anti-terrorist list by the State Department in 1982.

Mr. MORAN. 1982.

Mr. BAIRD. We even had a commercial office in Iraq. The policy of the administration at that time was to foster commercial ties with Iraq, and a great number of items, both licensed and those that did not require a license, went to Iraq, and a number of those to official Iraqi government entities.

So I think one could not say that there was no U.S. equipment that was involved in the military capabilities of Iraq.

Mr. MORAN. In fact, without doubt, some U.S. equipment was used against our own soldiers.

Mr. BAIRD. I could not answer affirmatively on that. Because, in fact, we did have during all that period a policy in place that precluded the sale of munitions items. So I think actual battlefield type of items would not have been used to support the Iraqi forces.

Mr. MORAN. Trucks, though?

Mr. BAIRD. Again, there may have been some transportation vehicles, but as I stated earlier, our information on those that required licenses is that they were not shipped.

Mr. MORAN. So no munitions, none of these high-powered howitzers.

Mr. **Baird**. That is right. There were no munitions items sold by the United States Government. Of course, there were by other western nations.

Mr. **Moran**. Which employ U.S. technology?

Mr. **Baird**. I suppose some do, yes.

Mr. **Moran**. There was a guy who had developed U.S. technology, I understand, with the Defense Department contract. Did you have something you wanted to add?

Mr. **Lavin**. No. I was thinking of the big gun, I guess.

Mr. **Moran**. Some of these items that went to Iraq prior to the war were in fact financed with guaranteed loans?

Mr. **Baird**. I don't know the answer to that. I don't believe so. I think there were some guaranteed loans for agricultural sales. I am not aware of any guaranteed loans for commercial products.

Mr. **Moran**. It came out in testimony that, through the BNL bank in Atlanta that, in fact, although it was supposed to be tobacco as an example of what was going to Iraq, the tobacco was being sold to Iraq at an enormous premium. Then that premium was to be used to purchase equipment, including military equipment, and all of that was financed by the Commodity Credit Guarantee Corporation run by the Department of Agriculture.

Would you have a role in reviewing that?

Mr. **Baird**. No, we don't.

Mr. **Moran**. You don't have any.

Mr. **Baird**. No.

Mr. **Moran**. So they can do whatever they want with guaranteed loans. Who should have caught that when Iraq was using U.S.-guaranteed loans to acquire military equipment and equipment that could be converted to military use? You don't serve as any kind of oversight agency at all?

Mr. **Kugelman**. Wouldn't that normally come through the intelligence community. In the early stages, if that were detectable upfront, it probably would be detected by the U.S. intelligence community as opposed to some formal review function that an agency would have.

Mr. **Moran**. There was a GAO review, was there not, of the material that was submitted to the Congress that had been altered? Was there a review?

Mr. **Baird**. No, I don't believe so, sir. Our own Inspector General's Office at our request did a review.

Mr. **Moran**. I read the Inspector General report.

Mr. **Baird**. Yes, that is the one.

Mr. **Moran**. Was there anything done to correct that as a result of the Inspector General's report?

Mr. **Kugelman**. We implemented the five recommendations that the Inspector General made in that report which was submitted to the Secretary and to the General Counsel of Commerce, and that put some additional controls on the procedures used to change data, who could do it, how many people had access to large numbers of files. Some improvements in the audit capability of the system, so that, for example, if I made a change, it would become part of the permanent computer record. The computer would do that automatically. So there have been like quite a few changes that were made to the way we do business.

Just to comment, because this Iraq experience from the point of view of professional public administration types involved in a regulatory program, was extremely significant. Over a two-and-a-half year period, it has consumed significant amounts of agency resources in terms of responding to requests for additional printouts, interviews by the FBI, et cetera. I would put the cost to the follow up at probably close to a million dollars a year.

Mr. MORAN. That is a substantial amount of your budget.

Mr. KUGELMAN. Yes. The other thing is that it has been tremendously demoralizing to our work force, because basically for two years we were pretty much pillorying in the press. So it is just an element of the operating environment that we face now as we move into 1994.

I believe there are at least five official studies/investigations of our behavior during Iraq, what we did. This is after the Frank deGeorge report. The most recent report was the one concluded by Mr. Lacey in the final days of the Bush administration who served as I guess an independent counsel, and that report was fairly extensive on both us and BNL.

Mr. MORAN. Well, I know BNL was found at fault, and BNL was involved in criminal activity. Were any findings made that there were any Department of Commerce officials involved in possible criminal activity?

Mr. KUGELMAN. Judge Lacey concluded, if I remember that section of the report correctly, that he couldn't tell for sure, primarily because Mr. Kloske, whom the FBI had tried to reach numerous times during December was not available, and he indicated that is an area that might warrant additional review.

Mr. BAIRD. But I believe the FBI now or the Justice Department has informed the Congress formally that they are not planning on pursuing any criminal charges in this area, so I believe they have brought their investigation to an end.

Mr. MORAN. When they say they are not planning on pursuing any criminal charges, should that be interpreted to mean that there was no ground for any criminal charges being pursued?

Mr. BAIRD. I would hope so. Certainly if there were grounds, I would hope the Justice Department would pursue them vigorously.

Mr. MORAN. These documents that were altered, they were altered by Kloske, not by Secretary Mosbacher?

Mr. BAIRD. Yes. Again, I don't know what conversations Mr. Kloske had with the Secretary or any other political appointees on this matter. The actual changes to the documents were done by career people at the direction of the Under Secretary.

Mr. MORAN. You would agree that this experience has had a profound impact on the Bureau of Export Administration?

Mr. BAIRD. There is no question about it. As Acting Under Secretary Kugelman has stated, it has been a rough two-and-a-half years, and I think the agency, hopefully, will come out stronger as a result of this, and has learned some good lessons about not only managing its own affairs, but also its relations with Congress.

One of the things, for example, that we have done as part of our changes is when the Congress asks for something, we now give them a clean dump-out, a dump of what the database gives, and if there are inaccuracies in there, then we highlight those so that the

Congress can share in the full breadth of information we have and why we think this particular data entry is inaccurate, rather than going ahead and making changes that may be misconstrued later on.

Mr. MORAN. Did I miss a reference to this situation that had such a profound impact upon the operations of the Bureau of Export Administration over the last few years in your testimony, or your justification? In other words, you chose to ignore it completely?

Mr. KUGELMAN. Yes, sir.

Mr. MORAN. Let's put it behind us?

Mr. LAVIN. Right. Instead of ignore it, put it behind us.

Mr. BAIRD. I think with the new administration and the opportunity to reinvent ourselves as part of that process, we are hoping that we can turn this page and move on, and carry out the statutory mandate that we have.

Mr. MORAN. Do you think this has had any effect whatsoever on the level of budgetary support that you have received or are requesting over the last four-year period?

Mr. KUGELMAN. I don't really know actually. I mean, in terms of an informed judgment, on the Hill, perhaps among the Congress, I would assume that, you know, it did. Within the administration, past or present, I don't think it was a major factor.

Mr. MORAN. I am taking a fair amount of time, but I really feel as though the Bureau of Export Administration has a major role to play.

There is a tremendous emphasis upon expanded exports by this administration, by this government. Is it a bit of an inconsistency that there is a major reduction being requested by the Bureau of Export Administration?

Mr. KUGELMAN. Well, in terms of the tie to trade promotion and export promotion—

CHANGE IN RESPONSIBILITY

Mr. MORAN. We just heard from trade promotion and trade promotion is doing fine. But as trade promotion does fine, you would think there would be some need for a monitoring agency as well. I mean, the more business you are doing, the greater the need for processing of applications, of the monitoring of embargoes.

Embargo activity seems to be a choice that is increasingly being sought by the United Nations and the United States, and instead of going to war, you set economic embargoes on a country's trade.

Do you see any reduction in the responsibilities that the Bureau of Export Administration might be required to provide?

Mr. KUGELMAN. Reduction in responsibilities? No, I do not.

Mr. MORAN. Do you see an increase?

Mr. KUGELMAN. I think we have—there are some areas where we have roles that we have not had in prior times in history. I think I see them emerging.

Mr. MORAN. So your responsibilities have expanded?

Mr. KUGELMAN. I would say, yes.

Mr. MORAN. Dramatically?

Mr. KUGELMAN. I think depending on how the U.S. Government's assistance programs to Eastern Europe and the former Soviet Union are finally structured, when the full detail is out, plus the roles sorted out a little bit more clearly with respect to U.S. defense conversion within the United States, we could be—we could be looking at a substantial increase.

Mr. MORAN. I should say. With the Freedom Support Act and now that President Clinton has talked about even more greatly expanding our trade with the Newly Independent States, we are clearly taking an expansionist role with regard to international trade, and there is no question that our embargo activities have increased.

There is a greater threat of the exportation of technology that could be used for military purposes, given our emphasis upon defense conversion, and the international trade of products that have come from defense R&D investment over the last several years, the sale of their civilian application to other countries.

So a man on the street might say, well, that would call for a dramatic expansion of the need for the services that the Bureau of Export Administration provides. Wouldn't one? Wouldn't that be a natural conclusion? Am I putting you on the spot?

Mr. KUGELMAN. No, not really.

Mr. MORAN. Isn't that a reasonable question? You can answer that first.

Mr. KUGELMAN. It is a reasonable question, yes, it is. Clearly there is that dynamic, but the ability of people to read that dynamic at the level of resource allocation between BXA and other players involved is limited in the extreme, but I don't think anybody has that crystal ball just yet.

The other part of the equation is that historically what we do know is that as a result of decontrols, fewer and fewer licenses are being required to ship goods, and when we looked—the testimony talks a little bit about, you know, the volumes of license applications, 85,000 down to 23,000, 24,000. But beyond that, that is the percentages of U.S. manufactured exports that is captured by the U.S. licensing regime.

In 1988, we were looking at roughly, 120 billion of the $319 billion total manufacturing exports that required a license, and in 1992, we are looking at, we think, only about $56 billion worth of U.S. merchandise exports out of a total export volume of about 420 billion.

EAST-WEST DECONTROLS

Mr. MORAN. But this isn't because of a reduction in the export volume of things that normally would require a license review; this is because of a deregulation of the licensing process?

Mr. KUGELMAN. Yes, internationally agreed to.

Mr. LAVIN. East-West decontrol because of the dissolution of the Soviet Union. We are going through a transformation where our East-West controls are decreasing, our proliferation controls have increased.

Mr. MORAN. So the explanation which would defy common sense, initially, does in fact make sense. When you look at it more closely, we have decided that we trust Russia, and at least most of the Newly Independent States, so even though we are going to greatly expand our export of materials that could be used for military purposes, we are making the assumption that they won't be, and that even though the volume expands, our threat has reduced to an even greater extent. For that reason we don't need the licensing process as much.

My concern is that if the volume expands, what is going to happen if you guys are cut back. It is either going to take forever to get a license to accomplish the export volume that we are looking for, that is just going to slow down the whole process, or you guys are just going to throw up your hands and say, well, we are not responsible, let it go. We will assume a greater risk of products being traded to other countries that could find their way into the wrong hands for the wrong purposes.

Mr. BAIRD. Well, I wouldn't dispute that there will be some dislocation, if that comes about. That is accurate. We do have a commitment from the Secretary's office, and we are prepared to go back to OMB and come back and talk to this committee, if in fact our judgment at this point turns out to be wrong.

And if in fact export licensing volumes do turn around and increase considerably, if we end up with the inability to properly carry out our statutory responsibilities with respect to nonproliferation, or even with continued trade to Russia, we are prepared to revisit all of this.

This is a very flexible situation, and what we are trying to do is respond to, as best we can, to the conditions as we see them now.

Mr. MORAN. Well, to be honest with you, I am a little mystified that the Department of Commerce has been treated more preferentially than any other agency of government that I can find except for HHS. But HHS had a reputation for doing lots of good things that were certainly perceived as helping a lot of people.

The Commerce Department is now the place to be for money, for new initiatives and everything. All kinds of new exports, all kinds of responsibility for defense conversion, which is the big catch word now, and every agency we find, line after line, they want more money, more responsibility.

And all of a sudden, whoops, here comes one. All of a sudden, this one is being cut back, and this is the one that is responsible for the review and licensing of foreign trade. I just see a little inconsistency here. I guess maybe it is because all of a sudden the world is a better place to live and we don't need you guys looking over the shoulder of the exporters.

Do you figure that is probably the assumption that lead to this budget justification?

Mr. KUGELMAN. I think that that is a definite element, not just for this budget, but also for prior year cuts that we have received. These major decontrols started to be talked about in a very public way back in fiscal year 1990. They then came on-line in 1991.

I also would note, and I think it stems from the same kind of view of the world that it is the peace dividend, we are part of the peace dividend—so how much is peace dividend, how much is peace insurance for the future. The Congressional Budget Office, in its major report in February of 1992, recommended that our agency be cut by 25 percent. And that report——

Mr. MORAN. As part of the peace dividend?

Mr. KUGELMAN. They did not use that language, but that is what they were talking about. That was their recommendation to the Congress in February of 1992.

So I think when you have all of these public studies of which the CBO was one, the National Academy of Sciences was another, painting a reduced threat with respect to the East Bloc, et cetera, plus you have a spin-off from the Iraq problem, a loss of confidence in the agency, whatever, in terms of people's perception.

Mr. MORAN. Not a high point in terms of public relations.

Mr. KUGELMAN. That is right, sir.

Mr. MORAN. Okay. Well, I think we need to give a little thought to this. I think we may be making some assumptions here that need to be reviewed. Even though we spent some time on the Iraq thing, I think it was important and probably beneficial for our purposes that you got several things on the record that may not have been otherwise, because I agree with you that this probably has something to do with people's perception of BXA.

At this point, though, I think it is probably time to give you a break and conclude the hearing. That will conclude the hearing. I appreciate the testimony of all three of you. You were forthcoming witnesses, and you did your best to explain the inexplicable, and I appreciate the testimony. Thank you.

Mr. KUGELMAN. Thank you, sir.

Mr. BAIRD. Thank you.

Mr. LAVIN. Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Impact of Program Reductions

QUESTION:

Your $34.7 million budget request includes a reduction of 116 positions and $6.5 million. You indicate in your statement that this budget request is based on a decrease in workload -- particularly in the volume of export control license applications for dual use technologies. What has the trend in the applications been over the last four or five year?

ANSWER:

The trend for the last five years has been downward; the numbers are as follows:

FY 1988	98,385
FY 1989	85,218
FY 1990	67,692
FY 1991	33,126
FY 1992	23,997

QUESTION:

On pages BXA-37 through BXA-43 of your budget justifications, you show workload estimates for your export administration programs. Every FY 1994 workload estimate that is lower than the 1993 number is marked with an asterisk. At the bottom of page BXA-43, the definition of the asterisk is given: "FY 1994" 'Workload' reductions are the result of declining resources."

That statement would imply that these estimates of workload were driven by budget realities rather than the other way around -- could you explain that remark?

ANSWER:

The workload reduction reflects not only the decline in the number of export licenses, but also the Government-wide effort to implement program efficiency savings. As BXA reallocates existing personnel throughout BXA and the Department, there will be a period of program disruption when workload reductions will occur.

The following "Workload Indicator" tables show which indicators are affected by reduced resources and those affected by actual downward/negative trends:

FY 1994 Workload Indicator Estimates Based on Declining Resources

EXPORT ENFORCEMENT

	FY 1994 Est.
Export Enforcement/Enforcement Support	
Investigations Closed (administrative actions completed)	160
Cases Referred to Justice Department for Criminal Action	20
Cases Referred to Office of the General Counsel for Administrative Action	22
Denial Orders Issued (temporary, final and amendments)	18
Warning Letters Issued	200
Prelicense Checks Initiated	450
Post Shipment Checks:	
Eastern Europe	15
Middle East	30
Other	125
License Application Rejections and RWA's	250
Export Value of Rejected & RWA License	$200,00

EXPORT ADMINISTRATION

	FY 1994 Est.
License System Reviews:	
IVL Reviews	0
Special License System Reviews:	
o Domestic Reviews (audits)	20
o Foreign Reviews (audits)	10

	FY 1994 Est.
Total	30
EPCI End-User Analyses	0
Outreach Consultations:	
Headquarters Phone Inquiries	57,000
Regional Office Inquiries:	
o WRO (Southern California)	90,000
o Northern California Branch	27,000
o ERO (Nashua, NH)	30,000
Pre-licensing Consultations	1,000
Education of Industry:	
Headquarters Seminars	12
Headquarters Presentations	40
Regional Office Seminars:	
o WRO (Southern California)	53
o Northern California Branch	27
o ERO (Nashua, NH)	10
Regulatory Licensing Impact Analyses:	
Interagency Licensing Analysis Review Meetings	71
Intra-agency Licensing Analysis Review Meetings	27
Licensing Policy Trend Analysis	0
Technology and Policy Analysis:	
NSD 53 Meetings & Preparation	800
Exodus & OEE cases	250
Commodity Jurisdictions	200
Seminar Participation	0
Training/Preparation for Foreign Governments	0
Advisory Opinions	0

	FY 1994 Est.
Support for Technical Advisory Committee Meetings	65
Interagency Negotiations	300
International Negotiations	400
Export Control Proposals	50
Foreign Availability:	
Congress	0
Foreign Availability Reviews Initiated	0
Foreign Availability Reviews & Assessments Completed	4
Foreign Industry Analysis for Critical Technology Assessments:	
Initiated	0
Completed	0
Short Supply Analysis	14
Russian Defense Business Directory	0

INDUSTRIAL RESOURCE ADMINISTRATION

	FY 1994 Est.
Defense Production Act Actions:	
Regulatory Audits, Compliance and Training Actions	25
U.S. National Security Emergency Preparedness Plans	2
Industrial Preparedness Mobilization Exercises (Domestic & International):	
NDER Training	0
Interagency & NATO Readiness Coordination Exercise	10
International (NATO) Production Base	10
Offsets in Defense Trade:	

	FY 1994 Est.
Offset Country Policy Reviews	5
Memoranda of Understanding:	
MOU Reviews	60
Other Studies or Actions:	
Industrial Capabilities Studies	10
Critical Technology Assessments	10
Stockpile Market Impact Analyses	30
Industry Outreach Initiatives	10

FY 1994 Workload Indicator Estimates Based on Actual Downward/Negative Trends

EXPORT ENFORCEMENT

	FY 1994 Est.
Export Enforcement/Enforcement Support:	
Administrative Fines Imposed (in thousands)	$800
Antiboycott Compliance:	
Pre-charging letter resolution activities	50
Outreach Counseling Activities	1,700

EXPORT ADMINISTRATION

	FY 1994 Est.
Export Licensing Activities:	
License Applications Processed:	
COCOM Member Country	2,500
PRC	2,000
Disposition of License Applications Processed:	
Denied	300

	FY 1994 Est.
Returned Without Action	2,800
Average Processing Times:	
Free World Requests	28
Bloc Requests	65
PRC Requests	75
COCOM Requests	14
Special Licenses:	
Currently Held	380
Average Processing Time (days)	40
Outreach Consultations:	
STELA Inquiries	100,000
Regional Office Inquiries:	
Licensing Consultations	18,000
Technology and Policy Analysis:	
Average Classification Processing Time	40
Annual Reports/Denial Orders/Other	150

INDUSTRIAL RESOURCE ADMINISTRATION

	FY 1994 Est.
Defense Production Act Actions:	
Priorities and Rating Authorizations/Actions	1,200
Foreign Investment Investigations:	

	FY 1994 Est.
45-day Investigations	3
Public and Congressional Information Activities:	
Mandated Congressional & Presidential	
Congressional Inquiries	70

QUESTION:

If these numbers are not accurate, what are your estimates for workload in FY 1994 based on a realistic evaluation?

ANSWER:

The numbers are accurate, i.e. they represent our best estimates at this point in time.

QUESTION:

What organizational changes are necessary as a result of the program decreases? Will you be abolishing any offices or staffs?

ANSWER:

BXA will not continue to fund a separate Office of Foreign Availability for the sole purpose of conducting foreign availability assessments. No other office or staff closings are planned at this time. However, the matter will be fully reviewed during the remainder of FY 1993 and organizational changes are likely.

QUESTION:

How will the level of resources impact your Regional offices? Are you proposing to close any offices?

ANSWER:

We are not planning to close any of our regional offices. Attrition may, however, result in some marginal reductions in staffing levels. We are also planning to relocate the Springfield, Virginia Enforcement office to headquarters in Washington D.C.

QUESTION:

Will formal Reduction-in-Force (RIF) actions be required as a result of this program decrease?

ANSWER:

The Secretary of Commerce has assured BXA that RIFs will not be required. Under an attrition and active outplacement program, however, BXA may not get staffed down until FY 1995. Carryover funding from FY 1993 will be used to fund the excess staff in FY 1994.

QUESTION:

How are the Export Control Attache positions located overseas impacted by this budget request?

ANSWER:

BXA currently has two attache positions overseas: Paris and New Delhi. Both incumbents are scheduled to be brought back by the end of FY 1993. BXA has no firm plans to refill either position. Elimination of these positions has been planned for some time based upon prior year (FY 1992, FY 1993) budget allocations.

Relationship with the Customs Service

QUESTION:

Last year, we became aware of a problem between BXA and the Customs Service regarding a reluctance on the part of your agency to share export licensing information with the Customs Service. We included language in our conference report, at the request of the Senate, instructing you to cooperate more fully with the Customs Service. What is the status of the ongoing problems with the Customs Service?

ANSWER:

The 1993 Commerce Appropriations Act included report language instructing Commerce to provide the Customs Service with expanded electronic access to the BXA licensing database, known as ECASS. Unfortunately, Commerce was not consulted prior to the inclusion of this report language, which was questioned by a number of reviewers, including the President's Export Council. To date, a data transfer as described in the report language has not been undertaken because we believe that, under existing circumstances, such wholesale transfer of the ECASS database is unwarranted and would not promote the effective enforcement of the Export Administration Act.

QUESTION:

Could you give the Committee a summary of BXA's position on this subject?

ANSWER:

The ECASS database includes detailed information on license applications submitted to and licenses approved by the Bureau of Export Administration's Office of Export Licensing (OEL) for dual use commodities. OEL makes ECASS information available to the U.S. Customs Service in two ways. First, for ongoing Customs criminal investigations, OEL provides pertinent ECASS information in a timely manner upon request. Second, OEL provides ECASS information in a limited format through a single computer terminal located at the Customs Exodus Command Center, located in Washington. It is the latter means of sharing information that is at issue.

Customs now seeks the transfer of the entire ECASS database into the Customs criminal database, known as "TECSII," which is available to Customs personnel at all of its offices, including offices at U.S. ports and borders. Customs does not claim that it needs the ECASS data for the purpose of conducting criminal investigations; rather, it claims that the reason it needs the data is for timely clearing of shipments at the ports and borders.

Under the current arrangement, Commerce provides ECASS to the Exodus Command Center in a format that enables Customs to search the database on a single data field, namely, the export license number. Once this number is entered, the ECASS terminal displays the data from that particular license, such as the exporter, the commodity and the consignees. Customs personnel can use the data in this format to determine whether, for a particular shipment, any export license stated in the shipping documents is valid.

Customs maintains that this limitation on the data fields it can search, as well as the availability of only a single terminal, will result in unnecessary detention of shipments at ports and borders; for example, when the license number is mistakenly inverted on the shipping documents. Customs says it must be able to download ECASS into its TECSII system, so that it can search the database using other data fields, such as the name of the exporter, zip code, etc., in order to determine whether a particular license number is valid and clear the shipment.

At various times during the discussions concerning ECASS, Customs has also sought access to other BXA licensing data, which are not in ECASS, as well as BXA's enforcement data, which has made it difficult to understand the real purpose for Customs' requests.

Commerce recognizes the need for Customs to process commodities at the ports and borders. In response to Customs' stated need for additional terminals for this purpose, Commerce proposed to provide eleven ECASS terminals around the country, with expanded search capability so that Customs could search up to thirteen data fields. The proposal was to try this arrangement for a one-year pilot project, with the option of expanding both terminals and search capability based on demonstrated need. The BXA intent was to allow Customs to develop hard data on the extent of their "Timely Cargo Clearance" problem and the extent to which geographically expanded access to ECASS yielded measurable improvements. BXA and U.S. firms, in turn would be able to judge whether or not the intent of the EAA for data protection was met. Despite its initial receptivity to Commerce's proposal, Customs subsequently rejected any plan that did not involve a wholesale transfer of the ECASS database for downloading into the Customs TECSII system.

Commerce is confident that its proposed pilot project would effectively address any difficulty Customs may have had in processing commodities at ports and borders. Commerce believes that a wholesale transfer of the ECASS database to Customs is not necessary to meet Customs' stated needs. The President's Export Council has also expressed concern about the Customs request.

Further, Commerce strongly believes that such a wholesale transfer of ECASS to Customs would severely undermine Commerce's ability to meet its statutory responsibility to protect the highly sensitive/confidential business information found in this database. ECASS contains, for example, information about U.S. manufacturers' prices, technical specifications and distribution networks. Commerce's OEL and Office of Export Enforcement are subject to strict guidelines that ensure that the information contained in ECASS is protected from disclosure without authorization by the Secretary of Commerce (who has delegated this responsibility to the BXA's Under Secretary for Export Administration). Commerce personnel with access to ECASS are directly accountable through the chain of command to the Under Secretary. If ECASS is transferred to Customs, this valuable database would be made available to thousands of Customs personnel, none of whom would be accountable to the Under Secretary in the event of unauthorized disclosure.

Commerce and Customs have had difficult relations over the past eight years, in large part because the 1985 Amendments to the Export Administration Act provide the two agencies with overlapping jurisdiction for the enforcement of the EAA. Commerce and Customs have attempted, unsuccessfully, to negotiate a Memorandum of Understanding to better delineate their respective roles in the areas of overseas investigations, referral of Customs cases for BXA administrative action, and data exchange. These issues have been studied in detail by the General Accounting Office (GAO) during the past two years. GAO findings may provide the basis for legislative solutions to these problems, hopefully, as part of the renewal of the EAA. Until then, Commerce remains concerned that the increased access to ECASS which Customs seeks could undermine the ability of legitimate U.S. exporters to compete in the global marketplace, without promoting the effective enforcement of the EAA. Commerce looks forward to working with Customs and the Congress to resolve outstanding issues between the two agencies.

QUESTION:

What steps are you taking to ensure a better relationship with the Customs Service?

ANSWER:

Commerce's Director of the Office of Export Enforcement has met recently with the Director of the U.S. Customs Service Strategic Investigations Division to undertake a dialogue on issues dividing the two agencies. These discussions will be raised to a higher level once the political leadership in both agencies is designated and confirmed. In the meantime we will continue to work together on joint investigations in a number of areas.

Situation in Eastern Europe and Former Soviet Union

QUESTION:

What has been the role of the Bureau of Export Administration with regard to the situation in Bosnia? Will the recently announced U.N. embargo increase your workload?

ANSWER:

BXA has been involved in restricting exports to Bosnia ever since the U.N. sanctions were put in place. We are very careful about anything that goes to any of the former entities of Yugoslavia, to make sure that they will not contribute to the military effort.

BXA's Enforcement program has not been directly involved in the current conflict in Bosnia-Herzegovina. Our Export Enforcement program will include suspected violations of export controls directed at Yugoslavia in the course of its normal investigative casework.

An increase in the level of our workload is not anticipated as a result of the recently announced U.N. embargo.

QUESTION:

You mentioned providing assistance to East European countries to develop their own export enforcement system. Which countries are you working with, and what is the status of that assistance program?

ANSWER:

BXA's Export Administration program has worked and is working with the following countries in Eastern Europe: Poland, Czech Republic, Slovak Republic, Hungary, Romania and Bulgaria. Of this group, Hungary is the only country to date that has established a fully acceptable export control system. Work with the other countries continues at various stages with the Czech Republic having made the most progress.

Since June, 1990, the Bureau of Export Administration's Export Enforcement (EE) program has been providing assistance to Hungary, Poland, and the Czech and Slovak Republics through the Safeguards Verification Regime. The Safeguards Regime is a program developed by EE to provide a means for verifying that controlled U.S.-origin goods exported to certain countries are subject to adequate safeguards, providing the U.S. Government with a high degree of confidence that the goods will not be diverted or used for unauthorized purposes. In addition to conducting selected on-site pre-license and post shipment checks in the target country, the Safeguards team educates U.S. embassy and host government personnel about export controls, with special attention given to those foreign officials who may ultimately administer export control programs in their country. The teams that visited Hungary in FY 1991-92 were instrumental in helping that country develop its export control system and for reporting back to Washington policymakers the effectiveness of that new regime. The evidence necessary to support the removal of Hungary from the list of COCOM-proscribed destinations was largely based on the concrete information developed by these Safeguards teams. In addition, Safeguards teams occasionally educate the business community of the target country about export controls.

EE has completed thirteen Safeguards trips to Hungary, Poland, and the Czech and Slovak Republics since the program was established in 1990. In FY 1993, $10,000 was devoted to Safeguards activity in Eastern Europe, covering expenses for one team visit to Hungary, Poland and the Czech and Slovak Republics.

In FY 1994 we anticipate conducting some technical assistance visits to Russia, Ukraine, Belarus, and Kazakstan. BXA is a member of the interagency technical assistance group which is working bilaterally and through COCOM to assist in the development of export control systems in the four Russian Republics. Some of this work was included in President Clinton's Vancouver Technical Assistance Program. In addition, BXA continues to chair the U.S.-Russian Defense Conversion Subcommittee.

QUESTION:

What funds are you devoting to that activity in FY 1993, and what is your estimate of FY 1994 requirements?

ANSWER:

Major expenditures in this area have included employee salaries and travel funds for visits to the countries in question and bringing appropriate East European and FSU officials to the United States. Smaller amounts have been used for preparing sourcing language export control guides. Funding has come from BXA, AID and other government agencies.

In FY 1993 and FY 1994 BXA is seeking more external funding for this activity. Funding will depend on reprogramming requests or transfer of funds from other agencies. BXA estimates that it could use roughly $.5 million in FY 1993 and $2.5 million in FY 1994 for the following activities:

1. Russian Defense Conversion -- BXA would take an active role in facilitating U.S. private sector participation in opportunities arising from the conversion of Russia's defense industry to a commercial industry. BXA has actively chaired the Intergovernmental Defense Conversion Subcommittee (DCS) of the Department's U.S. Russia Business Development Committee (BDC) which was initiated during the 1992 Bush-Yeltsin Summit.

   The success of Russia's efforts to develop a market economy depends on the conversion of its industry from a defense to commercial orientation. The DCS performs a number of tasks that include: (1) collecting and disseminating information to the U.S. private sector on defense conversion opportunities; (2) publishing the Russian Defense Business Directory; (3) collecting information on defense establishments; (4) providing advisory service for U.S. industry associates and business representatives; and (5) providing an interagency forum for coordination of USG Russian defense conversion activities.

2. Technical Assistance -- The BXA/Commerce lead program is a government-to-government assistance and cooperation program to help Newly Independent State officials develop a safeguard export control program. BXA's efforts to the NIS would significantly increase the pace of development of control procedures and a safeguard programs thereby allowing more liberal export and investment treatment by COCOM members.

   Our objective is to establish a government-operated international export control system in the NIS based on law and adherence to international nonproliferation guidelines. BXA will continue to provide technical assistance to NIS to create systems needed to protect imports and reexports of COCOM-controlled technology and equipment. This will allow U.S. companies to quickly and confidently ship approved high-level technology and products to this emerging market in accordance with COCOM agreements.

   Without proper funding, continued BXA input into the export control development for NIS will not be possible. Of all the concerned agencies, Commerce (specifically BXA) has the largest export control infrastructure and greatest "hands-on" export control experience.

3. Safeguards Verification Regime -- Overseas safeguard verifications are conducted by BXA's export enforcement organization. The program provided the basis for the massive decontrol agreed to by U.S. at COCOM in FY 1991.

   BXA's objective is to ensure compliance with export control policy by foreign consignees. This transfer will enable our enforcement office to strengthen critical dual use and proliferation controls by increasing the number of safeguard verification checks. These checks provide the basis for the approval of export sales overseas in areas like the Eastern Europe and the former Soviet Union. Many export transactions would have to be denied without the performance of these verifications.

QUESTION:

Will you continue to be able to provide this assistance in FY 1994 in light of your proposed cuts?

ANSWER:

No, unless external sources of funding can be identified, BXA will drastically curtail its FY 1994 work program.

QUESTION:

How does the ongoing situation in Russia impact your workload projections for FY 1994?

ANSWER:

Our licensing workload projections for Russia remain fairly constant from FY 93 to FY 94. We will continue to work closely with COCOM as we refocus this international control regime. A potential resource problem has been created by the President's commitment at the Vancouver Summit to provide "export control development" support to Russia. This new activity has already diverted some resources from current programs. We anticipate that additional resources will be required for this program in FY 1994.

The President has allocated $2.2 million for export control development assistance to Russia. We do not know how much of that funding will go to BXA. As with the other FSU Republics, the technical assistance plan envisions "hands-on" assistance by BXA's legal, licensing, technical, enforcement and computer systems experts. When the Russian Control System is on line, high levels of technology will be approved for export. This will increase the requirement for safeguard verification trips.

Finally, the implications of the Vancouver Summit for the level of activity and program content of the U.S.-Russian Defense Conversion Subcommittee are still being worked out. BXA's FY 1994 work program will be largely dependent on external funding. Limited program activity will be pursued through the allocation of base resources. Publication programs will be converted to "User Fees".

QUESTION:

Are you also working with the countries of the former Soviet Union to assist in the development of export controls?

ANSWER:

Yes, we are also working with the following new countries that were republics of the former Soviet Union: Russia, Estonia, Latvia, Lithuania, Belarus, Ukraine, Moldova, Georgia, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Our primary effort is concentrated on Russia, Belarus, Ukraine and Kazakhstan, the four countries of the region that have nuclear capabilities. The greatest degree of cooperation has been with Belarus, with whom there is an agreement on assistance related to the establishment of export controls.

Request to OMB

QUESTION:

What was your request to the Department and OMB for FY 1994, what items were eliminated from this request, and what will be the impact of these reductions on BXA's ongoing operations?

ANSWER:

BXA's request to the Secretary was for $52.1 million and 472 permanent positions. The request included $1.9 million in adjustments to base, and program increases totaling 22 positions and $7.4 million:

The Secretary disallowed all program increase requests except those related to BXA's export enforcement and intelligence program. The original amount of this increase was of $3.0 million and 32 permanent positions. It was reduced (by $1.8 million and 15 permanent positions).

BXA's request to OMB was $46.0 million and 445 permanent positions. This request included $2.0 million in adjustment to base an one program increase totalling $1.2 million and 17 permanent positions. This increase included $.5 million for intelligence activities under

EPCI; $.5 million to improve domestic U.S. compliance with general export licenses; and $.2 million for additional Safeguards Verification trips to the Middle East, South America, and Asia.

OMB disallowed the increase request and directed BXA to take (-$6.8 million and -116 positions) across the board program reductions based on recent historical trends in the volume of license applications.

In addition, adjustments-to-base were reduced by $1.8 million, including reductions of -7 positions and -$.8 million related to government-wide administrative and personnel savings.

Authorization Status

QUESTION:

What is the current status of your authorization legislation for fiscal year 1994?

ANSWER:

The extension of Export Administration Act was signed into law by the President on March 27, 1993. Public Law 103-10 extends the Act to June 30, 1994.

Status of Appointments

QUESTION:

What is the status of an appointment of an Under Secretary for Export Administration? Are there any other Presidential appointed positions in your organization?

ANSWER:

The Under Secretary for Export Administration Presidential appointment is still being considered. There are three Presidentially appointed Senate confirmed positions in BXA. They include the Under Secretary for Export Administration and two assistant secretaries, one for Export Enforcement and one for Export Administration. The assistant secretary appointees are also still under consideration.

Relationship with the Census Bureau

QUESTION:

You mentioned in your statement the Export Enforcement side of BXA works closely with the Census Bureau. What types of activities are carried out with the Census Bureau?

ANSWER:

Export Enforcement (EE) has a reimbursable agreement with the Foreign Trade Division of the Census Bureau to obtain information contained on Shippers Export Declarations (SEDs). EE receives this information monthly from the Census Bureau on a formatted optical disk and on film cartridges that contain actual copies of each SED. This information is analyzed by EE to:

-- review exports against validated BXA export licenses to ensure compliance with the terms and condition of those licenses;

-- analyze exports against BXA general license authorities to detect violations of those license provisions;

-- study export trends of strategic dual-use commodities to discover possible diversion schemes; and

-- support Export Enforcement's Strategic and Nonproliferation Enforcement Program (SNEP) by identifying post-shipment verification candidates for EE's Safeguards Verification teams. (These teams travel overseas to conduct on-site visits of end-users listed on export licenses to confirm the appropriate use of controlled U.S. origin technology.)

This SED Review Program was initiated in response to decontrol and the expansion of shipments under general licenses. It provides a surrogate for the audit trail which was lost as a result of decontrol.

QUESTION:

Do you rely on data generated through the Economic Census conducted every five years? Is the data you need available in a timely manner after it is collected?

ANSWER:

No, BXA does not rely on data generated through the Economic Census. The data that we do use, computer-readable files containing Shippers Export Declarations, are available to us in a timely manner.

Various Control Regimes

QUESTION:

Your statement refers to five multilateral export control regimes with which Export Administration is working: COCOM, the Missile Technology Control Regime, the Australia Group, the Nuclear Suppliers Group, and the Supercomputer Control Regime.

Who are the other partner countries in each of these control regimes?

ANSWER:

COCOM is comprised of NATO members minus Iceland plus Japan and Australia.

MTCR membership includes 23 countries: Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and the United States.

The AG consists of all of the NATO countries (except Iceland and Turkey), Argentina, Austria, Australia, Finland, Ireland, Japan, New Zealand, Sweden and Switzerland. The European Community also has a representative.

NSG membership includes 28 countries and the Commission of the European Communities (EC), as follows: Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, EC, Finland, France, Germany, Greece, Hungry, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovak Republic, Spain, Sweden, Switzerland, United Kingdom, and the United States.

The Supercomputer Control Arrangement includes the U.S. and Japan.

QUESTION:

How do the missions of each of these control regimes differ?

ANSWER:

Coordinating Committee (COCOM) -- The Coordinating Committee for Multilateral Export Controls is a non-treaty organization that reviews exports of strategic technology to the former Warsaw Pact, China, North Korea, and Vietnam. COCOM seeks to limit the strategic capabilities of the weapons systems of potential adversaries by limiting access to Western technology. COCOM has established three lists of controlled commodities and technology (the International Munitions List, the International Atomic Energy List, and the International Industrial List). COCOM members have agreed not to license particularly sensitive exports without the unanimous consent of all other members. As a result of changes in Eastern Europe and the Former Soviet Union, COCOM member countries agreed to work with these countries -- both bilaterally and through the COCOM Cooperating Forum -- to develop the safeguards needed to approve exports of higher levels of technology needed for their economic development.

Missile Technology Control Regime (MTCR) -- The MTCR is a non-treaty arrangement to limit the proliferation of ballistic missiles that are capable of delivering a 500 kilogram payload 300 kilometers. MTCR partners have implemented export controls that restrict transfers of complete missile systems, major subsystems, parts, components and production equipment and technology. Members may license exports as a matter of national discretion, but there is a strong presumption of disapproval of transfers involving complete systems, major subsystems, and related production technology. Although originally focused on ballistic missiles that could carry nuclear weapons, in 1991 MTCR members agreed to extend controls to missiles that could deliver any chemical or biological monition.

CBW Controls - Australia Group (AG) -- The Australia Group (AG) is a non-treaty organization to limit the proliferation and use of chemical weapons (CW). Members have agreed to control exports of a list of chemical weapons precursors, chemical and biological production equipment, and biological organisms. Members license exports as a matter of national discretion, and share information on sensitive transactions.

Nuclear Suppliers Group (NSG) -- The Nuclear Suppliers Group (NSG) is an organization of signatories of the Nuclear Proliferation Treaty that have agreed to coordinate national export controls on dual-use commodities that have a nuclear weapons utility. NSG members have agreed to a list of commodities and technology that will be subject to control. They have also agreed to specific guidelines to be used by national authorities when considering applications for export licenses. Licensing is a matter of national discretion. [There is also a separate agreement among NSG members to control the export of "especially designed and prepared" nuclear-related items. The U.S. controls on these items are administered by the Nuclear Regulatory Commission.]

Supercomputer Export Controls -- In 1991, the United States and Japan reached certain understandings concerning export controls on supercomputers. We are currently negotiating with the United Kingdom, France and Germany to expand the regime.

QUESTION:

Would it not be more efficient to consolidate all multilateral export control functions under a single umbrella organization?

ANSWER:

In approaching the question of consolidation of multilateral export controls, we must be careful to distinguish between the policy functions of the various regimes and their export control functions. The disparate policy issues facing the nonproliferation regimes make consolidation difficult, as noted in the Congressionally mandated National Academy of Science Study, Finding Common Ground. However, supporting the coordination of national export control systems is principally a bureaucratic function that could be performed by a single administrative entity. Such a body could be responsible for the development and dissemination of lists of controlled commodities and technology, the dissemination of regime documents, the exchange of licensing and intelligence information, and the scheduling of consultative meetings.

There is a concerted effort going on within each nonproliferation regime to conform their internal functions, such as licensing procedures, retransfer controls, catch-all controls, information exchanges, and denial notices with "no-undercut" provisions.

Anti-Boycott Compliance

QUESTION:

How much is in this request for the Anti-boycott Compliance program?

ANSWER:

The FY 1994 request is for $3.0 million and 33 permanent positions. This includes a pro rated share of BXA's overhead request. Our intent is to hold OAC harmless in FY 1994 from the reduction being imposed on the rest of the agency in light of Secretary Mosbacher's commitment to our Authorizing Committee.

QUESTION:

What is the current staffing level for the Office of Anti-boycott Compliance?

ANSWER:

Per prior Secretarial direction, this office is authorized 30 positions. As of May 11, 1993, there are 29 employees onboard.

We have no plans to reduce the staffing level of the Office of Antiboycott Compliance. Instead, we expect to maintain the full staff level of 30 employees. OAC will fill vacancies as they arise.

QUESTION:

How has the Office's workload been impacted by the proposed reduced staffing level?

ANSWER:

The Office of Anti-boycott Compliance is not being reduced in this budget request.

QUESTION:

Are you seeing an increase in the number of boycott reports being filed? To what do you attribute this increase?

ANSWER:

To a large extent the increase in the number of reports filed with the department in FY 1992 compared to FY 1991 was probably due to a recovery of economic activity in the Gulf region in the aftermath of the Persian Gulf War. Preliminary review of the incoming mail logs indicates that the number of reports filed in the first quarter of FY 1993 decreased compared to the first quarter of FY 1992. We do not know the cause of this decrease, but as we analyze the reports we will be looking for a reason.

Fines and Penalties

QUESTION:

Your statement mentions the amounts of criminal fines and civil penalties collected in FY 1992 and to date in FY 1993. Have these been record years for fines and penalty collections for BXA?

ANSWER:

Yes, FY 1992 and to date in FY 1993 have been record years for the collection of civil and criminal fines by BXA's Offices of Export Enforcement and Antiboycott Compliance. These record increases reflect the level of resources available in FY 1990 and FY 1991.

QUESTION:

Are you allowed to retain any of the fines and penalties collected?

ANSWER:

No, we do not currently have statutory authority to retain fines and penalties imposed by either the Office of Export Enforcement or the Office of Antiboycott Compliance.

QUESTION:

How will your proposed budget decrease impact your enforcement activities and your ability to levy penalties?

ANSWER:

A reduced level of resources in FY 1994 will have a cascading effect on the enforcement activities of the Office of Export Enforcement and that office's subsequent ability to levy penalties via administrative, civil and criminal procedures. Fewer enforcement analysts and agents will reduce the amount of information collected to detect illegal transactions. Likewise, with fewer agents, the office caseload will decline or agents will try to handle larger numbers of cases. In either event fewer detections or seizures of U.S. strategic commodities being exported illegally will occur. Special programs such as the Census effort may need to be curtailed. Overall, reduced resources will result in fewer criminal prosecutions or administrative proceedings, and a corresponding reduction in fines and penalties.

Another aspect of declining special agent and travel resources is that BXA will have to limit other enforcement programs such as its Safeguards inspection visits to countries of proliferation concern and regions of instability. Reduction or elimination of OEE Outreach/compliance programs that work with the U.S. business community (such as the Operation Outreach and the Business Executives' Enforcement Team meetings held across the country) are under consideration.

Enforcement activities by the Office of Antiboycott Compliance are not expected to decline because no reduction in staffing levels are currently being considered for FY 1994.

Questions Submitted by Congressman Kolbe

FY 1994 OMB Budget Request

QUESTION:

This is a hugh reduction. What was your request of OMB? Can you carry out your functions with this kind of reduction? With proliferation and national security issues increasing in frequency and importance, is this a sound policy?

ANSWER:

BXA's request to OMB was $46.0 million and 445 permanent positions. This request included $2.0 million in adjustment to base an one program increase totalling $1.2 million and 17 permanent positions.

This budget request provides adequate resources to carry out our basic functions. BXA will streamline and restructure its operations to focus on core mission responsibilities. While this restructuring will be difficult, it is possible. The Department is committed to the successful implementation of BXA's national security and non-proliferation programs. Should future changes so dictate, the Department will reexamine BXA's budget to determine if additional resources are required.

QUESTION:

Will this budget reduction cause delays in licensing and won't this, in turn, hurt U.S. competitiveness?

ANSWER:

BXA is committed to the accurate, consistent and efficient analysis of export licenses. As a result of prior year reductions in OEL, the increased complexity of the licensing decisions and the trend towards more interagency referrals under EPCI, average processing times are increasing. As noted in our FY 1994 workload measures this trend is expected to continue.

While BXA continues to have a very efficient export licensing system, the projected rise in the average processing times will hurt the competitiveness of the U.S. exporters.

QUESTION:

You have had a dramatic reduction (72%) over 4 years in your export license applications on dual use technologies. What is the explanation for the reduction in applications? Does this reduction correspond into a decrease in workload?

ANSWER:

The number of applications has decreased precipitously over the past four years. (see statistics on page 1). Over the past couple of years, BXA has reduced its budget by some $5 million and 100 FTE in response to this reduction in licensing volumes. However, the complexity of the remaining applications has increased.

In recent years, the number of export license applications has declined significantly due to liberalization of West-East national security controls, leaving a reduced caseload of applications involving advanced technology transfers. Concurrently, applications for exports of commodities, equipment and technical data subject to non-proliferation and related foreign policy controls have increased. However, from a strictly numerical perspective, the expansion of non-proliferation and foreign policy export controls has not offset the overall decline in applications attributable to the ending of the Cold War. Thus, the number of cases is smaller but the workload is substantially different as reflected in changing referral patterns and the greater need for end-user analysis and intelligence input.

Virtually all export licenses require significant expertise in regulatory and technical matters. As noted elsewhere, these stem from the factors that higher levels of technology continue to be controlled under COCOM and that four other control regimes are also operative. These more complex cases are the subject of interagency disputes which require more analytical support from our technical and policy analysts.

In summary, modifications to technical parameters for specific product lines, significant changes in overall U.S. policies toward certain countries, the operation of multiple control regimes, changes to administrative procedures, greater scrutiny of end-uses/end-users and more frequent referrals and dispute resolution meetings all contribute to the complexity of the U.S. effort control regime and the work performed by BXA.

QUESTION:

Is the U.S. policy on prevention of proliferation of dangerous technologies being effectively negated by a failure of cooperation by our other trading partners?

ANSWER:

No, but there is more that can be done to increase the overall effectiveness of the various non-proliferation regimes. With the creation of the NSG Dual-Use Regime, the last gap in U.S. nonproliferation policy has been filled. For the most part all, U.S. dual-use nonproliferation export controls are mirrored in a multilateral arrangement. The regimes differ in lists and modalities of control, and their effectiveness would be enhanced by greater commonality of licensing procedures, retransfer controls, information exchanges, etc. It is the goal of this Administration to improve the effectiveness of these regimes by taking the lead in suggesting greater similarity in their guiding principles and in expanding membership to include all significant suppliers.

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